Daily Report

Latin America

FBIS-LAT-89-012
Thursday
19 January 1989

Daily Report
Latin America

FBIS-LAT-89-012 *19 January 1989*

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTER-AMERICAN AFFAIRS

Further Reportage on Presidential Summit Date 1
Cerezo Proposes 8 Feb *[ACAN]* 1
Summit 'Definite' for 19-20 Feb *[Hamburg DPA]* 1

CARIBBEAN

Cuba

Foreign Minister Malmierca To Visit PRC 19 Jan 2
To Examine Bilateral Ties *[Havana Radio]* 2
PRC's Qian 'Optimistic' *[Havana Radio]* 2
Reportage on 43d CEMA Planning Meeting 2
USSR's Maslyukov Arrives *[Havana Radio]* 2
Cienfuegos, Rodriguez at Opening *[Havana TV]* 2
Rodriguez Meets Delegation Heads *[Havana Radio]* 2
Rodriguez Meets With Maslyukov *[Havana TV]* 3
Meeting Ends; Protocol Signed *[Havana TV]* 3
Castro Meeting Reported *[Havana Radio]* 3
Socialist Parliamentary Groups Hold Meeting 3
Delegations' Arrivals Noted *[Havana TV]* 3
Risquet Addresses Visitors *[Havana TV]* 4
Group Meeting Begins *[Havana TV]* 4
Parliamentarians End Meeting *[Havana TV]* 4
Session Chairman Interviewed *[Havana Radio]* 4
Further on Malmierca at Nonaligned Meeting *[Havana TV]* 5
Anti-Imperialist Tribunal President Backs UN *[Havana TV]* 5
Commentary Views Bush Inauguration Ceremonies *[Havana Radio]* 5
U.S. Senator Pell's Remarks on Relations Noted *[Havana Radio]* 6
Latin America's Views on Cuba Examined *[Havana TV]* 6
Scientific Cooperation Agreement With Zimbabwe *[Havana Radio]* 7
PCC Praises Spanish Communists' Congress *[Havana Radio]* 7
Italian Firm Working on Havana Phone System *[Havana Radio]* 7
Villa Clara Retail Network Disciplined *[Havana Radio]* 7
U.S. Ship Crew Sentenced for Drug Trafficking *[Havana TV]* 8

Bahamas

Further on Friendship Pact With Taiwan *[Taipei Radio]* 8

Dominica

New House of Assembly Speaker Elected *[CANA]* 8

Dominican Republic

Taiwan's Premier Visits Santo Domingo *[Taipei International]* 8
PRSC Convention Scheduled for 26 Jan *[Santo Domingo TV, Radio]* 9
16 Jan Cap-Haitien Student Meeting, Protest 9
'Tense' Situation Reported *[Port-au-Prince Radio]* 9
More on Student Action *[Port-au-Prince Radio]* 9

Fire Leads to Demonstration in Cap Haitien *[Port-au-Prince Radio]* 10
Further on CATH-Sponsored Strike Action 10
Government: Strike 'Illegal' *[Port-au-Prince Radio]* 10
Strike Observed in Provinces *[Port-au-Prince Radio]* 10
'Serious Slowdown' Noted *[Port-au-Prince Radio]* 11
Youth Organization Urges Government To Resign *[Port-au-Prince Radio]* 12
Resurgence of Widespread 'Insecurity' Noted *[Port-au-Prince Radio]* 12
Forum To Create Electoral Body Set for 9 Feb *[Port-au-Prince Radio]* 12
RDC Calls for 'Cleanup' First *[Port-au-Prince Radio]* 12
Communist Party Celebrates 20th Anniversary *[Port-au-Prince Radio]* 13

Netherlands Antilles

Aruban Prime Minister Loses Reelection Bid *[Amsterdam DE VOLKSKRANT 9 Jan]* 13

MEXICO

Further on Arrest of Union Leaders, Reaction 14
CTM Communique Protests *[EL NACIONAL 11 Jan]* 14
CTM Leader on Case, 'Purge' *[Mexico City TV]* 14
Cardenas Addresses Rally in Michoacan *[EXCELSIOR 6 Jan]* 15
PPS Leader Accuses Bishop of Drug Trafficking *[NOTIMEX]* 15
Deceased PPS Leader Replaced; Assembly 27 Jan *[NOTIMEX]* 16
Federal Agents, Farmers Clash During Search *[Madrid EFE]* 16

CENTRAL AMERICA

Costa Rica

Arias Says Duarte Should Set Summit Date *[San Jose Radio]* 17
EPS Helicopters Reportedly Violate Airspace *[San Jose Radio]* 17

Guatemala

Defense Minister in U.S. for Medical Tests *[PRENSA LIBRE 14 Jan]* 17
Army Claims Rebels Operate 5 Radio Stations *[PRENSA LIBRE 14 Jan]* 17
Energy Minister Reports Oil Exports Drop *[ACAN]* 18

Nicaragua

Ortega Addresses Basic Forces of Revolution *[Managua TV]* 18
Defense Ministry Reports Honduran Army Attack *[Managua Radio]* 21
Exiles in Guatemala Vow To Continue Struggle *[ACAN]* 21

Panama

Noriega Declines Comment on Possible Candidacy *[Panama City TV]* 21
Noriega on Air Force, Military School Plans *[Panama City TV]* 21
Paper Ridicules Bomb Scare at U.S. Consulate *[CRITICA 18 Jan]* 22
U.S. Investigates Shoot-out With 'Intruders' *[ACAN]* 22
Perez Invites Solis Palma to Inauguration *[Panama City TV]* 22
Clandestine Telecast 'Flagrant Provocation' *[MEDIODIA 17 Jan]* 22
Revolutionary Party Leader on COLINA *[Panama City TV]* 23
PALA's Sieiro on Leftists in COLINA *[Panama City TV]* 23
PCC Workers Summoned Over Delinquent Payments *[CRITICA 18 Jan]* 23
Weekly Review of Political Situation 23

SOUTH AMERICA

Argentina

Caputo Criticized for Silence in Ferry Case *[NOTICIAS ARGENTINAS]* 27
Agreement on Economic Plan Reached *[DYN]* 27
Angeloz To Meet UK Liberal Leader in Paris *[Buenos Aires Radio]* 29
New Special Loan Granted Energy Sector *[BUENOS AIRES HERALD 13 Jan]* 29
Bomb Explodes Near Church in Androgue *[DYN]* 29

Bolivia

Foreign Debt Exchanged for Investment Bonds *[PRESENCIA 31 Dec]* 29
New Navy Inspector General Appointed *[PRESENCIA 9 Jan]* 29
Armed Forces Announces Promotions *[EL DIARIO 31 Dec]* 29
Ronald MacLean Appointed Mayor of La Paz *[EL DIARIO 4 Jan]* 30
Police Officers Installed in New Positions *[EL DIARIO 5 Jan]* 30
20,000 Malaria Cases Registered in 1988 *[PRESENCIA 31 Dec]* 30

Brazil

* Poll: Public Rejects Sarney Government *[O ESTADO DE SAO PAULO 7 Dec]* 30
Communist Party Names Presidential Candidate *[Rio de Janeiro TV]* 31
* Brizola, Santos Tied in Presidential Poll *[FOLHA DE SAO PAULO 4 Dec]* 31
* $10 Billion Lost in Flight of Capital *[O GLOBO 4 Dec]* 32
Bank Holiday Announced for Monday, 16 Jan *[Rio de Janeiro TV]* 33
Fuel Prices Increased by Average of 16 Percent *[Rio de Janeiro TV]* 33
103 Poliomyelitis Cases Registered in 1988 *[Brasilia Radio]* 33

Chile

Court Orders Church To Submit Medical Files *[Santiago Radio]* 33
Human Rights Commission Reports on Economy *[Santiago Radio]* 33
Education Minister Travels to United Kingdom 34
Meets Officials in London *[Santiago Radio]* 34
Returns From Conference *[Santiago Radio]* 34
British Foreign Ministry Official Arrives *[Santiago Radio]* 34
Communist Support for New Leftist Party Cited *[Santiago Radio]* 34
8-Year Economic Growth Rate Reported *[Santiago Radio]* 34

Colombia

Barco Appoints New National Police Director *[Bogota Radio]* 34
25 Killed in Violence in 'Past Few Hours' *[Bogota Radio]* 35
* Status of Social Security Fund Debated 35
* Shortfalls Seen *[EL TIEMPO 12 Dec]* 35
* Charges Refuted *[EL ESPECTADOR 13 Dec]* 36
* Economic Policy To Emphasize Export Sector *[EL ESPECTADOR 14 Dec]* 37
* Cooperatives Seek Agricultural Credit *[EL ESPECTADOR 13 Dec]* 38
* Economic Slowdown Seen, Measures Recommended *[EL ESPECTADOR 13 Dec]* 38

Paraguay

Arrest of 'Traditionalist' Leaders Denounced *[EL DIARIO 15 Jan]* 39
Two Leaders Released 17 Jan *[HOY 18 Jan]* 39
Armed Forces Assignments, Reshuffling Announced *[ULTIMA HORA 12 Jan]* 39
Director of General Tax Directorate Named *[ULTIMA HORA 12 Jan]* 40
Dengue Fever Cases Reported, 'Epidemic' Feared *[EL DIARIO 14 Jan]* 40

Peru

Justice Minister Defends Fishing Treaty *[Lima TV]* 40
Economy Minister Meets Creditors in Washington *[Lima TV]* 40
Shining Path Suspected in Ayacucho Violence *[Madrid EFE]* 40
Foreign Trade Institute President Resigns *[Lima TV]* 41

Venezuela

Lusinchi Inaugurates Military, Civilian Projects 41
Border Guards, TV Facility *[Caracas TV]* 41
Air Force Base Construction *[Caracas TV]* 41
Government Approves New Radio Station *[Caracas TV]* 41
Finance Minister Reports on Gold Reserves *[EL UNIVERSAL 6 Jan]* 42
Increase in Price of Barrel of Oil Announced *[EL NACIONAL 6 Jan]* 42
Central Bank Notes Balance of Payments Deficit *[EL UNIVERSAL 6 Jan]* 42

Further Reportage on Presidential Summit Date

Cerezo Proposes 8 Feb

PA1701023489 Panama City ACAN in Spanish 0216 GMT 16 Jan 89

[Text] Guatemala City, 16 Jan, (ACAN-EFE)—Guatemalan President Vinicio Cerezo today announced that he has proposed to his Central American colleagues that the presidential "summit" be held on 8 February in El Salvador.

The Guatemalan president said the technical commission (of deputy foreign ministers) and the foreign ministers, who are to hold meetings prior to the summit, have the "necessary" time to prepare the agenda for the presidential summit.

Cerezo said Presidents Jose Napoleon Duarte of El Salvador and Daniel Ortega of Nicaragua have agreed to the summit "in principle."

Presidents Jose Azcona and Oscar Arias of Honduras and Costa Rica respectively have not yet confirmed the date of the meeting. Arias proposed the "Esquipulas II" regional peace plan signed on 7 August 1987 in Guatemala City.

The summit's objective is to reactivate the stalled regional peace process, which was postponed on four occasions in 1988 and again in the 2d week of January at the request of the Costa Rican president.

Cerezo, who announced his proposal today at the inauguration of a photographic exhibit at the government palace, said that "if necessary" he will tour Central America to achieve a consensus among his colleagues regarding the date of the summit.

Summit 'Definite' for 19-20 Feb

PA1801194389 Hamburg DPA in Spanish 1903 GMT 18 Jan 89

[Text] San Jose, 18 Jan (DPA)—Costa Rican Foreign Relations Minister Rodrigo Madrigal Nieto said today at noon that "the Central American presidential summit will take place 19-20 February in San Salvador."

Madrigal pointed out that "this date, which has been approved by the region's five leaders, is definite."

He said that "there will be a meeting of experts (officials from each government) in Managua, Nicaragua. The five Central American foreign ministers will also meet in Managua on 14-15 February to prepare for the summit."

Madrigal noted that the foreign ministers will be meeting informally in Caracas on 1-3 February at Venezuelan President-elect Carlos Andres Perez' inauguration.

Regarding the summit's agenda, Madrigal said that "it will be set at the foreign ministers preparatory meeting in Managua."

Cuba

Foreign Minister Malmierca To Visit PRC 19 Jan

To Examine Bilateral Ties

FL1801161789 Havana Radio Reloj Network in Spanish 1502 GMT 18 Jan 89

[Text] It was reported today in Beijing that the visit by Foreign Minister Malmierca to the PRC, which begins tomorrow, is aimed at strengthening bilateral relations.

During the visit, which is the first by a Cuban foreign minister to the Asian nation, Malmierca will hold talks with Chinese Foreign Minister Qian Qichen and will be received by one of the main leaders of the PRC, according to an official spokesperson.

In addition to the exchange of opinions on the state and prospects for strengthening bilateral relations, both ministers will discuss the main problems of current international affairs with an emphasis on the Central American situation and Africa.

Malmierca's trip includes a trip to (Cangai) and (Sichon). At the end of the visit, both parties will sign a cooperation agreement on behalf of their respective ministries, as well as a cultural agreement.

PRC's Qian 'Optimistic'

FL1601220389 Havana Radio Reloj Network in Spanish 2032 GMT 16 Jan 89

[Text] Chinese Foreign Minister Qian Qichen said today that he was optimistic about the increasing relations between his country and Cuba. He said that relations are presently growing at an accelerated rate and that this is the reason for Cuban Foreign Minister Isidoro Malmierca's next visit to the Asian country.

The first visit Malmierca made to China was to establish diplomatic relations with that country. That visit was an indication of increased bilateral relations, said Qian.

The Chinese foreign minister also said that special attention will be given to Malmierca's trip and he is sure that the visit will be a successful one. Qian also believes that the visit will contribute positive results to the relations between the two nations.

Qian said that, in the last few years, relations and bilateral cooperation was established as a result of Cuba's and China's efforts.

Reportage on 43d CEMA Planning Meeting

USSR's Maslyukov Arrives

FL1601154889 Havana Radio Progreso Network in Spanish 1200 GMT 16 Jan 89

[Text] Yuriy Maslyukov, first deputy chairman [as heard] of the USSR Council of Ministers and head of the [words indistinct], has arrived in Havana. The Soviet leader and the delegation he is heading will attend the 43d [as heard] CEMA meeting for cooperation in planning, scheduled to begin in the capital today.

Cienfuegos, Rodriguez at Opening

FL1601201489 Havana Tele-Rebelde Network in Spanish 1800 GMT 16 Jan 89

[Text] Osmani Cienfuegos and Carlos Rafael Rodriguez, members of the PCC Central Committee Politburo, attended today the opening session of the CEMA meeting in the sphere of planning. Journalist Mayra Viera gives us more details.

[Viera] The 43d CEMA meeting in the sphere of planning was inaugurated in this capital today with the participation of nine socialist countries. The goals are in line with the special comprehensive program of cooperation between the CEMA European countries and the council's less developed countries such as Vietnam, Mongolia, and Cuba, to attain a gradual equality in levels [of development]. Our country's objectives also coincide with the organizational and methodological improvement of the Cuban economy, aimed basically at the prioritized development of industry and exports.

[Begin Antonio Rodriguez Maurell, president of the Central Planning Board, identified by caption] We consider this meeting especially important because we will exchange ideas on the outlook of economic development of each one of our countries until the year 2,000 and discuss problems we will include in the coordination of cooperation plans for the next 5-year period to attain these goals. [end recording]

[Viera] The CEMA committee for cooperation in the sphere of planning, of which Cuba became a member at its third meeting in 1972, is an important factor in the collective concept of the international socialist division of labor. This meeting of the CEMA committee for economic planning will end tomorrow with a plenary session and the signing of a final protocol.

Rodriguez Meets Delegation Heads

FL1701134689 Havana Radio Progreso Network in Spanish 1200 GMT 17 Jan 89

[Text] Vice President Carlos Rafael Rodriguez has received the heads of the delegations attending the 43d meeting of the CEMA planning committee, which began in Havana yesterday. The participants are studying forms of cooperation and outlining work plans until 1995.

Rodriguez Meets With Maslyukov

FL1801161989 Havana Tele-Rebelde Network in Spanish 1200 GMT 18 Jan 89

[Text] Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers, has met with Yuriy Maslyukov, first deputy chairman of the USSR Council of Ministers and chairman of the USSR State Planning Committee, who headed the Soviet delegation attending the 43d meeting of the CEMA planning committee.

They analyzed the economic relations between the two countries and the outlook for the 1991-96 5-year period, and paid special attention to the creation of planning coordination cadres between the two countries.

Antonio Rodriguez Maurell, president of the Central Planning Board, attended the meeting. USSR Ambassador Yuriy Petrov and USSR State Planning Committee officials accompanied the visitor.

Meeting Ends; Protocol Signed

FL1801155089 Havana Tele-Rebelde Network in Spanish 1200 GMT 18 Jan 89

[Text] The 43d meeting of the CEMA committee for cooperation in the sphere of planning has ended with the signing of a protocol and a final declaration on the event. The goal of the meeting, which was held in Havana for the second time, included the expansion of economic cooperation among member countries in the sphere of planning, among others.

In general terms, the work was aimed at looking into the methodology, implementation, and improvement of socialist economic integration and completing a comprehensive scientific-technical program among member countries until the year 2000. Important areas of our economy—such as the production of sugar, citrus, and nickel, the geological exploration of Cuban territory, and the accelerated development of science and technology until 1990—are included in the agreements.

This is in line with the CEMA agreements on working toward achieving a gradual equality of economic development levels between less developed countries and the rest of the [words indistinct] European countries, specifically Vietnam, Cuba, and Mongolia. This would be an eloquent example of the new and more just international economic order called for by developing countries.

In his closing remarks, Comrade Janos Hoos, chairman of the National Planning Office of the People's Republic of Hungary, expressed his appreciation for the courtesies of the hosts, who allowed them to learn about the achievements of the Cuban Revolution at the time when we are marking the 30th anniversary of our true independence.

Now that the CEMA meeting has ended, we have to struggle to obtain the yields, economic efficiency, and quality in the domestic economy.

Castro Meeting Reported

FL1801191289 Havana Radio Rebelde Network in Spanish 1800 GMT 18 Jan 89

[Text] Planning ministers from socialist countries, who met in this capital for 2 days, have ended the 43d meeting of this CEMA organ with the signing of a protocol that establishes working guidelines until 1996. Janos Hoos, chairman of the National Planning Office of Hungary, who presided over the meeting, said multilateral consultations were made and agreements reached on important and current cooperation problems among CEMA member countries. Regarding Cuba, he said they analyzed the directions of its future development and the problems that still exist.

[Begin Hoos recording in vernacular, with simultaneous Spanish translation] We have spent these days discussing working problems. We have had an interesting program. Among the most interesting and unforgettable activities was last night's meeting with Comrade Fidel Castro. On behalf of all of us, allow me to express our deepest appreciation to our Cuban comrades for these activities and meetings. Let me also thank the bureau for the work performed with a very good understanding regarding the solution to problems. [end recording]

The chairman of the 43d meeting stressed Cuba's successes in social construction and achievements made in the sphere of scientific-technical progress, especially in biotechnology. He reasserted the special cooperation measures the European CEMA member countries are implementing with less developed countries, such as Cuba, Vietnam, and Mongolia, in order to achieve a gradual equality in their economies.

Socialist Parliamentary Groups Hold Meeting

Delegations' Arrivals Noted

FL1601224489 Havana Tele-Rebelde Network in Spanish 1800 GMT 16 Jan 89

[Text] The delegations from the USSR, Bulgaria, and Mongolia that will attend the consultive meeting of socialist parliaments, arrived in Havana last night. They were met at the airport by Severo Aguirre del Cristo, member of the PCC Central Committee and acting president of the National Assembly of the People's Government, as well as other state officials.

The consultive meeting of socialist parliaments is held once a year and is tasked with analyzing the work done during the past year, as well as coordinating activities for the new year, 1989 in this case.

Poland, the CSSR, the GDR, Vietnam, Hungary, and the DPRK are among the socialist countries that belong to the interparliamentary group. There are presently 110 legislative assemblies represented in the group.

Cuba has belonged to the interparliamentary group since 1977 and is host to this important meeting for the second time. The conference will begin tomorrow at Havana's Palace of Conventions.

Risquet Addresses Visitors

FL1601035989 Havana Tele-Rebelde Network in Spanish 0100 GMT 17 Jan 89

[Text] Jorge Risquet Valdes, member of the PCC Politburo, met with representatives from the socialist parliamentary groups. Tomorrow they will begin a consultive meeting at the Palace of Conventions.

Risquet talked to the representatives about protecting children's rights, decolonization, using space for peaceful ends, and the foreign debt. These subjects are on the agendas of the 81-82 Interparliamentary Union conferences which will be held in Budapest and London in March and October.

Risquet said that the Havana meeting will allow the group to coordinate ideas which will permit the socialist sector to powerfully demonstrate the advantages of their social regimes in present situations of interest.

Group Meeting Begins

FL1701193089 Havana Tele-Rebelde Network in Spanish 1800 GMT 17 Jan 89

[Text] The consultative meeting of parliamentary groups from socialist countries began at Havana's Palace of Conventions this morning. Severo Aguirre del Cristo, acting president of the National Assembly of the People's Government, made the opening remarks.

[Begin Aguirre del Cristo recording] Our revolution is the result of the international cooperation of all socialist countries. This is why we are very happy that this meeting of brother socialist countries is taking place when our people are still celebrating proudly and happily the victorious 3d decade of tenacious struggle against the enemies of the revolution, especially against the most powerful enemy, U.S. imperialism. [end recording]

The socialist parliament members attending the meeting will analyze important matters on international issues and potential possibilities of common work to coordinate actions aimed at having a greater influence in IPU debates.

The parliamentary meeting from socialist countries is held once a year. This is the second time it has been held in Cuba. The first one was held here 10 years ago.

Parliamentarians End Meeting

FL1901020189 Havana Tele-Rebelde Network in Spanish 0100 GMT 19 Jan 89

[Text] The agreements signed at the United Nations by Cuba, Angola, and South Africa on Namibia's independence and Angola's sovereignty were considered very satisfactory by the delegates at the consultative meeting of the socialist parliamentary groups. The meeting ended this afternoon at the Palace of Conventions.

The representatives also praised Soviet leader Mikhail Gorbachev's speech on disarmament and peace given at the UN General Assembly. The socialist parliamentarians studied the topics of decolonization and children's rights, matters which will be discussed at the next meeting.

The meeting ended on a positive note to continue examining the efforts by the socialist parliamentarians in their struggle for peace, disarmament, independence, and the development of nations.

The next meeting will be at the begining of 1990 in Romania.

Session Chairman Interviewed

FL1901014089 Havana Radio Rebelde Network in Spanish 0055 GMT 19 Jan 89

[Report by Alexis Sotolongo]

[Text] The annual consultative meeting of parliamentary groups from socialist countries ended a short while ago after 2 days of closed-door sessions. This important event was attended by 11 countries, including Cuba, in the Palace of Conventions.

To obtain exclusive news on the event, we interviewed Comrade Severo Aguirre del Cristo, acting president of the National Assembly of the People's Government, who was elected chairman of the work sessions by the delegates attending the meeting.

Comrade Severo, what were the topics that were most discussed during this meeting?

[Aguirre del Cristo] During this meeting, we first examined the results of the 79th and 80th conferences held in Guatemala and Sophia. An assessment was made of the work completed by all the members of the conference and of the IPU.

In reference to the topics most discussed or examined, greater emphasis was placed on the problems pertaining to the arms race and on the measures justly proposed by the Soviet Union and Mikhail Gorbachev during the last meeting of the UN General Assembly, which Cuba supports and which all socialist countries, all parliaments and their representatives meeting here, fully support.

[Sotolongo] How would you assess the results attained in this meeting?

[Aguirre del Cristo] I would say the results are good. It seems that a good agreement has been reached. It is effective and it establishes our work for the year that is beginning, the year that has just begun.

[Sotolongo] Comrade Severo, on behalf of the "Exclusivo" collective, we thank you for this interview.

Further on Malmierca at Nonaligned Meeting
FL1401190889 Havana Tele-Rebelde Network in Spanish 1800 GMT 14 Jan 89

[Text] The 2d working day of the ministerial meeting of the nonaligned countries was held today with an extensive [words indistinct] members of the movement to any change in the organization's direction of work.

In remarks made at the forum, Cuban Foreign Minister Isidoro Malmierca said that inviting NATO or Warsaw Pact members in order to influence them would not be effective. Malmierca called for a truly positive dialogue with capitalist and industrialized nations which would benefit the nonaligned countries.

The Latin American ministers attending the first meeting in Nicosia, Cyprus of the Committee for [words indistinct] Proceedings also agreed on an increase in the exchange of views on strategic lines which should be discussed at the ninth summit in September in Belgrade.

Several speakers at the meeting in Nicosia also said that there should be unanimous agreement from the nonaligned countries [words indistinct] on such topics as the foreign debt and unequal trade.

Anti-Imperialist Tribunal President Backs UN
FL1801020689 Havana Television Service in Spanish 0100 GMT 18 Jan 89

[Text] Today Dr Guillermo Torriello, president of the Anti-Imperialist Tribunal of Our America [TANA], held a news conference at the headquarters of the Cuban Association of the United Nations. The topic of his interview was the democratization of the United Nations.

Torriellos referred to the speech made by Commander in Chief Fidel Castro at the ceremony marking the 30th anniversary of the triumph of the revolution. In this speech Castro said that he was in favor of preserving the prestige and authority of that international organization.

During his meeting with the press, Guillermo Torriello recounted the history of the United Nations, which was founded shortly after the end of World War II, and called it the true defender of peace and international security. Torriello said that under the present conditions, the right to veto by the five permanent members of the Security Council is being used indiscriminately by the United States in its attempt to carry out continuous aggressions against the underdeveloped countries.

The president of TANA was in favor of increased international support for the United Nations, an organization that represents the rights and principles of all nations.

Commentary Views Bush Inauguration Ceremonies
FL1701234289 Havana Radio Rebelde Network in Spanish 1800 GMT 17 Jan 89

[Station commentary]

[Text] (Herbe El Couturier) a while ago reminded us that George Bush was the most ridiculed presidential candidate in his country. He described him as being a person with a naive smile, awkward in his use of language and nasal in tone, a man of aristocratic origins, and a spoiled child. However, these are only attributes of human nature, although they may not be the best.

In any case, within the next few days Bush will become the 41st president in the history of the United States. It does not matter that some still want to cast him in the uncomplimentary role of the eternal second person in power. From what is said and the comments heard, the man who was once most honored in the CIA is going to throw the whole thing out the window.

His followers, according to press reports, have prepared a ceremony for his taking office that will cost an unprecedented sum of about $30 million. It will have everything: dances, concerts, processions, military parades, and gigantic dinners. Anyone who wants to go to dinner can do so for $1,500 a plate. However, this does not pertain to anyone who wants to go to the dinner; it pertains to those who have the money to do so.

The affair has not pleased (Alice Pitham) of the Washington Peace Center. The woman said that such an exclusive dinner is outrageous when in the streets of the United States—and these are her words—there are so many hungry and homeless people. In any regard, these are daily occurrences in the empire that become more prominent only when the curtain parts for large ceremonies.

Bush will take office at a time when the world is weighed down by innumerable problems; for example, the foreign debt, Central America, and the Middle East, and this does not include domestic problems. To this is added relations with the USSR, its (?relations) with the European Community, and others.

Cuba, for its part, is an observer which has no expectations and no prejudices, at least not until actions are taken.

U.S. Senator Pell's Remarks on Relations Noted

FL1801170589 Havana Radio Reloj Network in Spanish 1510 GMT 18 Jan 89

[Text] Democratic Senator Claiborne Pell, chairman of the U.S. Senate Foreign Relations Committee, has stated that a moderate improvement of relations between the United States and Cuba was possible. Pell, who in the latter part of last year visited Havana, said that the White House should lift its embargo on medicine and reconsider its policy of radio aggressions against the Caribbean island.

According to the U.S. politician, Cuba's disposition to cooperate in the fight against drug trafficking is positive, and he urged Washington to increase cooperation in this area. Other U.S. personalities have said that the United States should begin high-level and unconditional direct talks in an effort to improve its treatment of Cuba.

Latin America's Views on Cuba Examined

FL1701233689 [Editorial Report] Havana Tele-Rebelde Network in Spanish at 0200 GMT on 17 January carries its weekly "Open Agenda" program entitled "How Cuba Is Perceived in Latin America." Host Miguel Rivero has six journalists as guests: Ricardo Harvath, Argentina; Rodolfo Munoz, Ecuador; Marco Aurelio Carballo, Mexico; Guillermo Franco, Panama; Orlando Contreras, Chile; and Jesus Urzagasti, Bolivia. All guests are identified by caption.

The opening shot shows the men sitting in a semicircle in the studio with Miguel Rivero in the center and Urzagasti, Franco, and Contreras to his right and Harvath, Munoz, and Carballo to his left.

The conversation begins with Rivero stating that Cuba is seen in a distorted fashion and asks the guests why this is so. All of the journalists agree that it is because the forces that control the mass media are unfriendly to Cuba. They add that when the progressive wing tries to show something on television that is more favorable to Cuba, the governments do not permit it because they are either afraid of repercussions or are very right-wing themselves.

Carballo says that Mexicans are very interested in Cuban affairs, but the news from Cuba is presented for the Cuban audience and this does not always represent Mexican reality. Franco says that in Panama the people get their opinions from Cubans who have gone into exile and tell stories that are blown out of proportion.

Rivero asks if the special series on the CIA agents in Cuba was shown in their respective countries. Franco says that in Panama it was shown on primetime television. Munoz says that it was not shown in its entirety in Ecuador and Harvath states that in Argentina it was shown only in the Cuban Embassy. None of the other journalists comment on this subject.

The camera then cuts to an unidentified reporter that says that much of Cuba's image abroad is influenced by radio and television. At this point in the program the camera shows a montage of radio rooms and television stations while the announcer says:

"Radio Habana Cuba has played a first-rate roll in projecting the Cuban revolution's image abroad for more than 25 years. It officially began transmitting on 1 May 1961, but few people know that it first went on the air with an experimental strength of 50 kHz during the mercenary invasion of Playa Giron. Back then it only transmitted in Spanish. Today, the station has a strength of 2,300 kHz and, with its network of transmitters, broadcasts in English, French, Portuguese, Quechua, Guarani, Creole, Arabic, Esperanto, and, of course, Spanish.

"For programming, the station employs 120 journalists along with dozens of technicians and a great network of correspondents in various countries.

"Radio Habana Cuba uses a complex system of directional antennas which permit the station to simultaneously broadcast to various parts of the world. The sum of broadcast time in different languages gives the station an average of 50 broadcast hours a day. As a result of the station's effectiveness, the Cuban international station receives mail from 150 countries. Most of the thousands of letters received weekly come from Latin America.

"Radio Habana Cuba's main office employs 37 communications specialists from other countries. Perhaps many people do not know that this station, whose work focuses on broadcasting overseas, carries a newscast on Radio Progreso and a 2-hour newscast on Radio Taino. These broadcasts are done on a daily basis on both stations.

"They also work with provincial stations. Pedro Rojas, director of Radio Habana Cuba, told "Open Agenda" that presently they are keeping the work standard which has characterized the station.

"Cubavision is the youngest means of information sent abroad. This satellite television station began transmitting on 26 July 1986 and has its main offices in Havana City. It uses one of the Intersputnik system satellites that is in the Atlantic zone. It uses the satellite's services for 4 hours every day. It carries programs taken from Cuban television and shows newscasts prepared by its own staff. To receive its transmissions anywhere in the world, it is necessary to have the type of satellite receiving equipment which is commonly found on the international market. This equipment adjusts the characteristics of its parabola or circular antenna to the equipment in the country or continent where it is installed, whether it is Romania, Gabon, the eastern United States, Chile, or Montreal.

"Cubavision is part of the multiple system of television news exchange. This system includes such stations as IBN [expansion unknown], from socialist countries, or ULCRA [expansion unknown], which comes from Latin American and Caribbean nations. This Cuban channel also prepares a daily program for tourists visiting our country. The program is transmitted on the Sol channel.

"Cubavision, even though it is not there yet, is destined to become an important means to further Cuba's image in foreign countries. (Daniel Osirio), director of Cubavision, told "Open Agenda" that experience is gained by operating such a new and complex satellite television channel."

The program ends at 0300 GMT with host Miguel Rivero wishing his audience a good evening.

Scientific Cooperation Agreement With Zimbabwe
FL1701143889 Havana Radio Progreso Network in Spanish 1200 GMT 17 Jan 89

[Text] The Governments of Zimbabwe and Cuba have signed in Harare an agreement which will regulate bilateral scientific-technical operations initiated in 1985. The two countries stress cooperation in the fields of health and education.

PCC Praises Spanish Communists' Congress
FL1701135789 Havana Radio Progreso Network in Spanish 1200 GMT 17 Jan 89

[Text] The PCC has expressed its pleasure over the congress held by Spanish Communists in which the unification process initiated in 1986 was completed. The document was presented to the congress in Madrid by Jaime Crombet, secretary of the PCC Central Committee.

Italian Firm Working on Havana Phone System
FL1601021889 Havana Radio Rebelde Network in Spanish 0033 GMT 17 Jan 89

[Interview with (Carlos Messanote), manager of the Latin America division of the (Italtel) communications firm, by Felix Fernando Garrido at the Jose Marti International Airport in Havana—tive]

[Excerpt] [Garrido] Good evening and welcome to the "Exclusivo" program.

[(Messanote)] Good evening and thank you for the interview. We are about to depart. We have spent an unforgettable week in Cuba. Eng (Maggi) and I have come here at the invitation of the Cuban Government to try and solve—and we hope we can do that—the telephone situation in Havana City created by the fire that took place a couple of months ago.

We are aware of all the technical characteristics involved and we are returning to Italy today to try and offer a solution to the problem of restoring the phone lines that were burned several months ago. We feel the Italian Government has the best intentions in this direction and we hope we will soon be able to restore the necessary basic structure of telecommunications in Havana.

[Garrido] What would make up this cooperation, this exchange, with us?

[(Messanote)] We are aware of the telephone situation and we have seen that there is no problem in replacing the phone center, in adding new phone lines to the center to replace the ones that were burned. We will now draft a program and a plan for developing Havana City in terms of increasing the number of lines. We will examine this plan with the Communications Ministry in the next few weeks in Italy to see if we can agree on supplying this material.

[Garrido] Spare parts and replacements, of course, are of vital importance to us. They guarantee our phone capabilities for a long time. What do you think about this?

[(Messanote)] This is absolutely necessary. We think that it is not enough to supply a digital telephone center. The entire infrastructure, spare parts, and training have to be provided because it is of no use to have advanced technology, such as ours, without having the necessary training and technical assistance. [passage omitted]

Villa Clara Retail Network Disciplined
FL1801012289 Havana Radio Rebelde Network in Spanish 0014 GMT 18 Jan 89

[Report by Norelis Morales from Villa Clara during "Exclusivo" program hosted by Daniel Torres]

[Text] Good evening, Daniel. Close to 190,000 pesos of the central state budget last year were designated for inspections in several units of the Villa Clara retail network. This was due to the violations that occurred in prices, tariffs, weights, and official norms.

Approximately 1,100 inspections, with a completion rate of 140 percent, were conducted during this time. Violations were found more often in the form of overcharging and in the sale of products that are below the weight at which they were offered. In addition to the earlier deficiencies found in the Villa Clara retail network in 1988, there is also the problem of the quality of services that does not correspond to the categories offered by the centers, as well as the quality of some agricultural products and the prices at which they are sold.

As a result of these violations, a little more than 3,000 disciplinary measures have been applied in the province in accordance with Decrees No 36 and 49.

U.S. Ship Crew Sentenced for Drug Trafficking

FL1601151589 Havana Tele-Rebelde Network in Spanish 1200 GMT 16 Jan 89

[Text] Crew members of a U.S. ship have been sentenced to 8 years imprisonment for entering the country illegally and drug trafficking. The names of those sentenced are: Mauro Ricardo Gaetano Nunez, of Cuban origin and resident of the United States; and Dominicans (Donald Dixon Wilmort) and Octavio German Demorizi.

On 30 May 1988, a border guard surface unit captured the U.S. vessel "Caribbean King" in Cuban jurisdictional waters in the area of Nibujon, Baracoa, Guantanamo Province, with over 13,000 pounds of marijuana.

Bahamas

Further on Friendship Pact With Taiwan

OW1601231389 Taipei Domestic Service in Mandarin 2300 GMT 10 Jan 89

[Text] Mr Yu Kuo-hua, premier of the Executive Yuan of the Republic of China, and the premier of the Bahamas jointly signed a communique of friendship and cooperation between the Republic of China and the Bahamas on the morning of 10 January in the Bahamas. Both sides agreed to promote economic cooperation, trade relations, and scientific and technological exchanges, and to carry out investment projects.

The following is a report from the Bahamas by special reporter (Hsiung Shu-hua) of the China Broadcast Company:

[Begin (Hsiung) recording] The signing ceremony was held at the Viceroy Building at 1000. Premier Yu Kuo-hua and Prime Minister Lynden Pindling jointly signed the communique. Members of the Republic of China delegation and major political figures of the Bahamas were present at the simple but solemn ceremony. [Words indistinct] followed by an exchange of opinions by both sides. After the ceremony, Premier Pindling [words indistinct] the agricultural achievements in the past. He expressed the hope that a fact-finding group will be sent to the Republic of China shortly. Premier Pindling also expressed the hope that our government will tightly screen Chinese entrepreneurs who are coming to invest in the Bahamas.

Premier Yu stressed that the Republic of China has had ample experience in helping developing countries for many years. The Republic of China will do its best to help the Bahamas develop agriculture and fishery. Premier Yu also said that he hopes that in the future the country will learn about tourism from the Bahamas and that it will cooperate with the Bahamas in the area of [words indistinct].

Following the ceremony, the special Chinese delegation paid visits to relevant departments of the Bahamian Government.

Minister of Communications Kuo Nan-hung and Bethel, minister of transport of the Bahamas, discussed the possibility of setting up a base for deep sea fishing in the Bahamas and registering Chinese merchant ships in the Bahamas. (He Chin-chang), vice director of the Agricultural Commission, and officials of the Bahamian Agricultural Ministry discussed the feasibility of sending agricultural demonstration teams to the Bahamas. However, it has been learned that the various cooperation programs between the two nations will be [word indistinct] after the Bahamas sends a fact-finding group to China.

In the afternoon, Vice Prime Minister Maynard and Mrs Maynard invited Premier Yu and other members of the special delegation for a cruise aboard a yacht along [word indistinct] coast to enjoy the scenic beauty of the Bahamas, visit the Bahamas' "Ocean World," and enjoy a relaxed afternoon.

Dominica

New House of Assembly Speaker Elected

FL1701155589 Bridgetown CANA in English 1535 GMT 17 Jan 89

[Text] Roseau, Dominica, Jan 17, CANA—Former vice president of the Caribbean Development Bank, Crispin Sorhaindo, has been elected speaker of Dominica's House of Assembly. Sorhaindo was elected by secret ballot Monday to replace Marie Davis Pierre, who resigned after eight and a half years.

Sorhaindo joined the CDB in 1973 and left in 1987. He is a former CDB vice president (corporate services) and bank secretary. He was educated in Dominica and Britian. He held a number of posts in Dominica, including of Parliament, government's financial secretary and chairman of the Development Bank and the Port Authority.

Dominican Republic

Taiwan's Premier Visits Santo Domingo

OW1901034789 Taipei International Service in English 0200 GMT 15 Jan 89

[Text] Premier Yu Kuo-hua said Saturday Republic of China [ROC] society has seen certain disorderly happenings since the government lifted the emergency decree in July 1987. During this transitional period the government has refrained from taking any severe measures in accordance.

The premier is currently on a visit to the Dominican Republic. He made the above remarks during an inspection tour of the ROC Embassy in Santo Domingo,

capital of the Republic. He briefed embassy personnel on the nation's political and economic development over the past year. Premier Yu also thanks them for their devotion and patriotism. He asked them to continue working for closer relations between the ROC and the Dominican Republic.

In related news, Premier Yu Kuo-hua also said the ROC's cooperation and development fund initiated by the ROC Government is intended to promote economic development of the developing countries. Above all, Southeast Asia and Latin and South America are the most important target beneficiaries. He said if the Dominican Republic could come up with a medium-scale program on fundamental construction, the ROC would be willing to offer assistance when necessary.

Meanwhile, lawmakers decided on Friday to send a draft of the measures governing management and utilization of the development fund to four committees for screening. The draft measures prepared by the Cabinet were supposed to be sent to the Legislative Yuan as reference. Many lawmakers, however, said that since the measures are closely related to the management of a huge fund for Taiwan's economic activities, they should pass through foraml legislation and should not be considered as administrative decree. Legislator Chu Kao-cheng of the opposition Democratic Progressive Party said the persons in charge may misappropriate the fund if they are not supervised by an independent organization. After legislative discussion, lawmakers finally decided to send the draft to the Committees of Appropriation, Foreign, Economic, and Financial Affairs for screening.

PRSC Convention Scheduled for 26 Jan

FL1701162689 Santo Domingo Tele-Radio Noticias Television and Radio Network in Spanish 0900 GMT 17 Jan 89

[Text] President Dr Joaquin Balaguer, acting as president of the Social Christian Reformist Party [PRSC], has made a call for the organization's national convention to be held in 10 days. The announcement was made by Joaquin Balaguer himself and Joaquin Ricardo, political secretary of the PRSC, in an ad published in yesterday morning's newspaper. The convention will be held on 26 January at 1000. Members of the executive central committee, the national secretariat, and the political commission will be elected during the event.

16 Jan Cap-Haitien Student Meeting, Protest

'Tense' Situation Reported

FL1701003289 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 17 Jan 89

[Report by Cap-Haitien correspondent Curis Maxino]

[Excerpt] The situation was quite tense in Cap-Haitien on Monday, 16 January. At around 0900, at the invitation of the AEN [Asosysyon Elev No], which is the Association of Students of the North, students from several schools met at the Philippe Guerrier National Lycee to reflect upon certain problems students are encountering here in this area—and also to take a stand on the general strike called by the CATH [Autonomous Organization of Haitian Workers] for Tuesday, 17 January.

While the meeting was going on at the school, things became very tense in Cap-Haitien. Parents began running around frantically picking their children up from school, because rumors that there was going to be a demonstration had begun circulating.

Indeed, at around 1000 the students took to the streets, chanting a number of slogans to the effect that they are not at all happy with the way things are going in Haiti. When the demonstration arrived in the La Fossette area, its character changed. Many other people came and joined the students in the demonstration.

More than 1,000 people chanted their dissatisfaction with the way things are going in Haiti. They chanted many slogans against General Prosper Avril. Thus, the police entered the picture.

The police began firing tear gas left and right to disperse the demonstrators. For their part, the demonstrators ran up and down several streets in town. Despite the fact that there was much tear gas, several small groups resisted, and tires were set on fire on several streets.

In the Cite Lescot area, vehicles began having trouble circulating, because the demonstrators put an old truck [kamyon] across the street in front of the vocational school in order to block the street. A police jeep had to go around removing barricades all over the place. Also, several stores shut their doors, because things got very tense in Cap-Haitien. [passage omitted]

More on Student Action

FL1701004089 Port-au-Prince Radio Nationale in Creole 1400 GMT 17 Jan 89

[Excerpts] We have learned that yesterday the Army, using tear gas grenades, dispersed several hundred high school students who were demonstrating against the government of General Prosper Avril in Cap-Haitien. This demonstration, which was organized by the Association of Students of the North, AEN, began after the forces of order intervened at Philippe Guerrier National Lycee following a panic [kouri] that occurred when rocks were thrown at the school. Rocks were thrown at this school and other schools in town with the objective of making all Cap-Haitien schools shut down because of the general strike called by the CATH [Autonomous Organization of Haitian Workers] for today.

At the end of the day yesterday in Cap-Haitien, many small groups of young people were still throwing rocks at military vehicles, and a number of invectives [gro mo] against President Prosper Avril were being hurled all

over Cap-Haitien. The young demonstrators also set up a number of barricades—using tires which they then set on fire—on one of Cap-Haitien's main streets. The military made no arrests. [passage omitted]

The students were also protesting the high cost of living, the rising cost of tuition, the high cost of gasoline, and power failures, which prevent students in Cap-Haitien from studying normally. The students also protested the Haitian educational system, which they think needs changing.

The demonstration began after a meeting held by the AEN at Philippe Guerrier National Lycee that was attended by more than 1,000 students.

Fire Leads to Demonstration in Cap Haitien

FL1801001589 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 16 Jan 89

[Report by correspondent Curis Maxino]

[Excerpts] Saturday morning [14 January] at around 1000, a big fire broke out in a balconied house on Rue 14-L belonging to a certain Norbert, who is from Limbe. The house is currently rented by some six families, who all live in the house—which burned to the ground, totally. The residents were unable to save anything at all.

The cause of the fire is still not known. A Cap-Haitien police source we contacted told us that the police don't know what caused the fire yet either, and that they are going to conduct an investigation into the matter.

Because there is no valid fire department in Cap-Haitien, everyone had to come help prevent the fire from causing still greater damage. During the firefighting, an incident occurred between an armed civilian and a group of people who were helping put out the fire. The civilian pulled a gun, and this led to a demonstration by some 100 people, who took to the streets chanting antigovernment slogans. [passage omitted]

The demonstration did not last very long. It dispersed a few minutes after it began. [passage omitted]

Further on CATH-Sponsored Strike Action

Government: Strike 'Illegal'

FL1701205689 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 17 Jan 89

[Text] The CATH, Autonomous Organization of Haitian Workers, has maintained its call for a strike. Meanwhile, the government has declared the strike illegal in a communique signed by three of its ministers: Justice Minister Gilbert Austin, Interior and National Defense Minister Colonel Carl Dorsainvil, and Social Affairs Minister Arnault Guerrier.

The government informs the public in general and sectors involved in the production of goods and services in particular that the general strike called for by the CATH for today, Tuesday 17 January, is clearly pursuing a series of political objectives and is therefore illegal. This call for a strike is not at all in keeping with the role of a labor union—that is, a union should not involve itself with political matters.

Any blocking of the national life is not at all in the true interest of the workers. Consequently, the Government of Haiti invites all workers, commerce, industry, and all other sectors in Haiti to go about their business normally and reaffirms its determination to ensure, as is its mission, the security of lives and property in Haiti.

The government calls on everyone to reject any initiatives or actions that might endanger the efforts being made to redress the nation's economy and society.

Strike Observed in Provinces

FL1801000489 Port-au-Prince Radio Metropole in French 1700 GMT 17 Jan 89

[All passages in French except where indicated; correspondents' reports are live or recorded]

[Excerpts] [Announcer] Cap Haitien must be the town where the call to a general strike was most followed, for even the public offices did not open in Cap Haitien. However, the town is calm, and there are many soldiers patrolling the streets. [passage omitted]

[Announcer switches to Creole] As for other provincial towns, according to our correspondent, in Gonaives the strike was observed by some 80 percent. The stores are closed and there are not many vendors in the marketplace. The schools are not open in Gonaives, nor in L'Estere. There are a few taptaps [gaily painted public transportation vehicles] running between Gonaives and other area towns. Let's listen to our correspondent.

[Correspondent] [Passage omitted] All the stores are closed because the merchants had said they would observe the strike because the cost of living has risen greatly in Haiti during the 4 months this government has been in power. The small vendors around the marketplace did not display their wares because they were afraid of being subjected to pressure. [passage omitted] As for the police, who are in the habit of patrolling the town during serious moments in Gonaives, there were not many out. Only a few were visible around the marketplace. Public offices are operating normally. The situation is pretty much the same in L'Estere. [passage omitted]

[Announcer] In Jeremie, activity picked up timidly in the late morning. The buses ran normally but the schools remained closed, and several stores did not open.

[Second correspondent] [Passage omitted] Several businessmen said that they had shut their doors more out of prudence than out of solidarity with the CATH [Autonomous Organization of Haitian Workers]. [passage omitted] Except for city hall, all public offices functioned normally. On the other hand, schools remained closed; no students went to school. [passage omitted]

[Announcer] Our Leogane correspondent estimates that the strike was observed by some 70 percent there, mostly in terms of public transportation. Church schools were functioning normally in Leogane today.

[Third correspondent] [Passage omitted] Many schools did not function. Public transportation between Leogane and Port-au-Prince was blocked. The marketplace operated at a slowdown. All public offices except the tax office opened. We would say that the strike was observed by some 70 percent in Leogane. Most of the schools opened, but the students did not show up. Only the church schools were functioning normally. [passage omitted] About 50 percent of the people we questioned were in favor of the strike. [passage omitted] However, others who were neither in favor of nor against the strike said that it didn't make any difference whether there was a strike or not—that things always remained the same. According to them, the country is not progressing at all; Regala, who should have been brought to trial, left and has now returned and is running around at his ease, and Franck Romain, a big criminal, was given a safe-conduct to leave Haiti without being brought to trial. All these things are the reasons these people don't want to take a position on anything that happens in Haiti. [passage omitted]

[Announcer] In Saint-Marc, there is no school and public transportation is paralyzed to some 70 percent, says our correspondent.

[Fourth correspondent] [Passage omitted] In Saint-Marc, we can say that this strike was supported by members of almost all social classes. [passage omitted] Schools are operating at some 30 percent. [passage omitted] Only a couple of church schools run by monks and nuns operated normally. Two public schools also functioned, with some 30 percent of their students present. Public offices are operating normally, and things are pretty much the same in L'Estere and Petite Riviere [de l'Artibonite]. In general, the strike was observed by almost some 70 percent in the lower Artibonite Valley. For all practical purposes, there is no school and public transportation is paralyzed. [passage omitted]

[Announcer] Our correspondent in Mirebalais estimates that the strike was observed by some 60 percent. [passage omitted]

'Serious Slowdown' Noted

FL1701210589 Port-au-Prince Radio Metropole in French 1700 GMT 17 Jan 89

[Excerpts] The general strike called for this morning by the CATH, the Autonomous Organization of Haitian Workers, has been partially followed in Port-au-Prince and the main provincial towns, causing a serious slowdown in economic activity in Haiti. Schools, commerce, and public transportation are the sectors most affected by the strike movement. [passage omitted]

Numerous police troops have been noticed in the streets all morning, and Public Works Ministry vehicles this morning transported many pedestrians along the capital's main streets.

[Announcer switches to Creole] It is 1208 and 10 seconds. We are now going to hear from our reporters in the streets, who will give us an account of the situation in Port-au-Prince. Mobile Unit 15?

[Reporter, speaking Creole] [Passage omitted] As for the commercial sector, which is an important sector, at 0745 stores were not yet open, but by 0900 or 0930, some 15 percent of the downtown stores had opened. (?Some of these closed at noon.) [passage omitted] In Petion-Ville, it's as if there was no call for a strike. We noticed that some 98 percent of the stores were open. Grocery stories were open and activity was normal at the Petion-Ville marketplace, which is a big marketplace beginning on Rue Gregoire and going all the way to Rue Vilatte.

The Leopards were in charge of security for Petion-Ville and Delmas. There were Leopards in front of all gas stations and in front of a number of stores. Schools did not function in Petion-Ville. [passage omitted]

We then went down Delmas Road. Traffic was running well. [passage omitted] Along the airport road, where there are many factories, many assembly plants, things were working to—get this—some 95 percent. The people we encountered explained that they had indeed been unable to find public transportation vehicles to go to work in but that they had been given a lift by the police, who took them all the way to work. I am currently talking to you from the industrial park, where there are many assembly plants; and really, activity is normal. We also went to the airport. [passage omitted] Everything is going beautifully there. It's as if there were no strike in the vicinity of the airport and in Petion-Ville, but traffic is moving. [passage omitted]

[Mobile Unit 19 reporter] [Passage omitted] By 0430, Metropole was already in the streets to see how things were. I will point out something many people did not have time to see: There were many tires on certain streets in the capital, particularly in the Delmas and Portail [not further identified] areas, and it was the traffic department that removed these tires, early in the morning. At around 0615, in the Portail Leogane area, a young man

was shot and killed. His body was taken away. We don't know where his body was taken—probably to the hospital morgue. They did not write up a formal report [konsta legal]. [passage omitted]

There was a slowdown in public transportation activities, and in the Carrefour Feuilles area there wasn't any public transportation at all, and there still isn't. [passage omitted]

Youth Organization Urges Government To Resign

FL1801184789 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 18 Jan 89

[Text] ORNADEJ [Oganizasyon Nasyonal Defans Lajenes, National Organization for the Defense of the Young] was one of the first organizations to make a statement after yesterday's strike. ORNADEJ says that the 17 January 1989 strike is a referendum in which the Haitian people have said no to the bourgeois, macoute government of Prosper Avril.

ORNADEJ says further that the Avril government neither intends to nor is capable of holding elections. How can anyone explain the fact that the government, which wants to hold elections, has given Franck Romain a safe-conduct to leave the country? The government's refusal to arrest and try the criminals responsible for 29 November is also something done on purpose. It is a way for the government to tell the Haitian people that what happened in the past could happen again. This government is incapable of holding democratic elections simply because the people in this government are Duvalierist macoutes who ignore human rights principles and who refuse to set legal action into motion against criminals.

ORNADEJ asks that the government resign right away, and they call for concerted action by all political sectors with a view to establishing a government of national coalition. They also propose a campaign of civil disobedience should the government refuse to resign.

Resurgence of Widespread 'Insecurity' Noted

FL1801013589 Port-au-Prince Radio Nationale in Creole 1400 GMT 16 Jan 89

[Excerpts] Insecurity is the big news in both the capital and our provincial towns. Insecurity had stopped for a time, but it has now started up again in both the capital and our provincial towns. Armed robbers are wreaking havoc all over. They are killing people, stealing money, stealing jewelry, and even raping. [passage omitted]

And thieves are not only wreaking havoc in the capital. There is also much insecurity in Arcahaie and other provincial towns. For example, on our national highways armed thieves are stopping cars coming into Port-au-Prince from the provinces and searching the passengers and taking the jewelry they are wearing—chains, rings, watches, etc. This situation is making many travelers very indignant.

In Arcahaie, there was shooting all last week and thieves broke into people's houses and took all they had. We have also learned that thieves visited Bois Neuf, a village in the commune of Arcahaie, over the weekend. [passage omitted]

Thus, people must sleep with one eye open again, because insecurity has resumed in both the capital and provincial towns.

Forum To Create Electoral Body Set for 9 Feb

FL1801005089 Port-au-Prince Radio Nationale in Creole 1400 GMT 16 Jan 89

[Text] The Ministry of Information and Coordination announces that the date for the forum to create a permanent electoral institution has been set for Thursday, 9 February 1989. This decision was reached following advice and comments from the heads of several political organizations, who felt it was a better idea for the forum to be held after 7 February 1989, so as to mark a new departure in the efforts being made to establish a solid democratic society in Haiti.

The note says, further on, that this spirit of concerted action and dialogue, which is the government's line for everything that concerns Haiti, recognizes that it is right for the government to take this advice into consideration, especially since Haiti's current situation requires that everyone give up bickering, with a view to safeguarding the country and well-being of the greatest number of people. Thus, all these things must guide the national debate.

RDC Calls for 'Cleanup' First

FL1801005789 Port-au-Prince Radio Nationale in Creole 1400 GMT 17 Jan 89

[Text] The Christian Democratic Assembly, RDC, has issued a press release in which it asks that a legal and proper cleanup be effected before any steps with a view to holding elections are taken. The RDC says that the forum proposed by Lieutenant General Avril goes against the will of the Haitian people. According to the RDC, this forum is a trap, a provocation, and a declaration of war against every Haitian and against all the democratic institutions in the country.

The RDC says further on in its press release that throughout the history of Haiti, there has always been a head general in the Army to hold fraudulent but nevertheless official elections.

Finally, the RDC asks that the government respect every Haitian; respect Haiti's laws, customs, and Constitution; and, at the same time, set aside the idea of this forum.

The press release is signed by Eddy Volel and (Moise Alcindor).

Communist Party Celebrates 20th Anniversary

FL1801010889 Port-au-Prince Radio Nationale in Creole 1400 GMT 17 Jan 89

[Text] Representatives of the communist parties of Cuba, the Dominican Republic, Venezuela, Panama, Uruguay, Guadeloupe, Martinique, and the Nicaraguan FSLN were to attend in Port-au-Prince the celebration of the 20th anniversary of the creation of the Unified Party of Haitian Communists [PUCH].

PUCH number two man Max Bourjolly told the press that there was still the problem of a visa (?for) the Cuban representatives, as well as the parties from the East European bloc—for them to be able to send messages on this occasion. [sentence as heard]

For his part, PUCH Secretary General Rene Theodore stressed that the PUCH is the only party in Haiti that has existed for 20 years. In this connection, the PUCH held a news conference to discuss the 20th anniversary of the PUCH here in Haiti.

Netherlands Antilles

Aruban Prime Minister Loses Reelection Bid

PM1701103189 Amsterdam DE VOLKSKRANT in Dutch 9 Jan 89 p 3

[Elly Wempe dispatch: "Aruban Prime Minister Suffers Defeat in Elections"]

[Text] Oranjestad, Aruba—"Prime Minister Henny Eman was hit by a solid MEP," was the comment after last Friday's [6 January] Aruban elections, which ended in a defeat for the incumbent prime minister. Eman's Aruban People's Party (AVP) won only eight seats. The opposition party, Nelson Oduber's Movimiento Electoral di Pueblo (MEP), emerged from the elections with 10 seats.

Small parties like the PPN [expansion unknown], the PPA [Aruban Patriotic Party], and the NDA [National Democratic Action] each won only one seat. The election results are an enormous disappointment and a personal defeat for Prime Minister Eman, who had called an early election because he expected to gain a useful advantage.

Netherlands Minister for the Netherlands Antilles De Koning, who is currently in Aruba for talks on development projects, was also surprised by the election results. "The Netherlands Government will cooperate with the new government, which will hopefully be formed soon," De Koning said. The Netherlands minister is optimistic about the constitutional changes and expects that talks on independence will be easier with the MEP. Under the leadership of the late MEP leader Betico Croes, 1 January 1996 was fixed as the date for Aruban independence. The AVP, however, was in favor of limited autonomy—that Aruba should be an autonomous state with the Kingdom of the Netherlands—as the final objective. De Koning: "We will now begin to prepare for the independence of Aruba; after that the Netherlands is fully prepared to discuss guarantees in the field of defense. In a commonwealth relationship, guarantees of the rule of law can also be provided through links with the Supreme Court in The Hague."

According to De Koning, in the past few years the island has clearly shown that it can stand on its own two feet. The change of government will have no influence on the forthcoming talks on development projects because Minister De Koning deals with matters on a day-to-day basis.

MEP leader Nelson Oduber declared that "the people are in power again." According to the MEP leader, the Eman government was for the elite. "A privileged group of six business families on the island profited from increased prosperity, but ordinary people saw nothing of the economic growth," Oduber said.

Trade union leaders on Aruba confirm that many Arubans feel that they only have an unsatisfactory share in national prosperity. Prime Minister Eman was also forced to admit that he did not get his message across to the voters.

The number of preferential votes cast for Rudy Croes was also remarkable. Croes, the brother of late political leader Betico Croes, won almost as many votes as Prime Minister Eman. Rudy Croes could even overtake the outgoing prime minister when the votes from the last two electoral districts are counted. Rudy Croes, who greatly resembles his dead brother, is 41 years old and a laboratory worker.

Croes also won considerably more votes than his party leader, Nelson Oduber. For this reason differences could arise within the MEP about its future leadership. But it is clear that the election result has totally changed the political scene on Aruba. There are even rumors that another brother of Betico Croes—Hendrik, a lawyer and former justice minister—will be the new prime minister.

MEP leader Nelson Oduber denied these rumors. A decision on the premiership will only be taken when the government program has been settled. Oduber confirmed that the new government "will get down to work in earnest on the preparations for independence in 1996," although strong ties with the Netherlands will remain in a commonwealth arrangement.

In 1994 Oduber intends to ask the Aruban people's approval of the constitutional changes in a referendum. "The Netherlands Government must give guarantees in the field of military defense, guarantees for the rule of law, nationality must be settled [sentence as published]. We want to keep the queen as our head of state. Also, a cultural agreement must be reached which guarantees cooperation in the education field."

The new Aruban Government will take another look at the contracts with oil companies for the exploration of the sea bed and also reopen the negotiations with Exxon on the cleanup of the refinery site.

Further on Arrest of Union Leaders, Reaction

CTM Communique Protests

PA1301225589 Mexico City EL NACIONAL in Spanish 11 Jan 89 p 9

[Communique issued by the Confederation of Mexican Workers, CTM, in Mexico City on 10 Jan]

[Text] Early today soldiers raided the home and arbitrarily arrested, with an extraordinary display of force, our colleague Joaquin Hernandez Galicia. In the same violent manner they also kidnapped colleagues Jose Sosa Martinez and J. Concepcion Ortega Kuri. All three are leaders of the Mexican Union of Oil Workers.

During the operation, the same soldiers fired numerous shots and detonated explosives. They simultaneously surrounded, shot at, and entered the home of our colleague Salvador Barragan Camacho, secretary general of the union.

No arrest warrant was issued and there was no intervention by the appropriate federal authorities. Members of our glorious Armed Forces were forced to participate in these incidents—the Armed Forces that have always received the appreciation and gratitude of the Mexican workers.

The CTM cannot remain indifferent to situations that seriously harm the labor movement and the Mexican legal system and could endanger the civic peace, which we have paid so dearly to establish and maintain.

We consider these grave incidents detrimental to the nation's true interests because they come at a time when Mexicans are waging decisive battles for the country's future: the renegotiation of the foreign debt to prevent more misery of the dispossessed, the consolidation of our freedoms, the improvement of our democracy, the recovery of our economic growth, and social justice.

We consider them detrimental to the nation because, in view of the challenges we face, Mexicans require—as never before in contemporary history—unity, political stability, peace, and harmony, which can be disrupted by such incidents, if by nothing else.

The nation knows that the Mexican workers have been in complete solidarity with the best causes and the loftiest principles of the country. Our own people, as well as foreigners, have recognized this.

With this moral authority that we have won legally, we censure these incidents because, unless they are corrected, they will usher in a stage in the country's life that no one wants: a stage of authoritarianism that could in turn lead to anarchy and reactionary violence.

We are certain that the president of the Republic denounces these incidents as we do. Therefore, we most vigorously protest to him and demand the immediate release of our colleagues who were arbitrarily arrested. Their legal rights must be respected, and we invoke the supreme necessity of remaining calm and united, which Mexicans require today more than ever.

In spite of the above, the CTM advises the public that it has notified all labor organizations and the country's progressive and revolutionary forces of these events, and these organizations have agreed to defend the legal system and remain alert to observe the development of events and to act appropriately as warranted.

Sincerely, "For the Emancipation of Mexico."

[Signed] The CTM National Committee: Fidel Velazquez, secretary general; Senator Blas Chumacero Sanchez; Senator Emilio M. Gonzalez; and Alfonso G. Calderon, alternate secretaries general

CTM Leader on Case, 'Purge'

PA1701160789 Mexico City XHTV Television in Spanish 0200 GMT 17 Jan 89

[Report by Rodolfo Medina]

[Text] Confederation of Mexican Workers [CTM] leader Fidel Velasquez today referred to the arrest of Joaquin Hernandez Galicia, alias La Quina, and said the law will determine if the oil labor leader will attain his freedom or not. He rejected the possibility that the government's relations with labor union leaders will suffer a drawback with this case.

Fidel Velasquez talked today for the first time about Hernandez Galicia's arrest and asserted that not even all the CTM's power is enough to break Mexican laws and obtain La Quina's release. Fidel Velasquez said: There is no political motive behind his arrest. Personal friendships are useless in this case.

He also denied that labor leaders' relations with the government have suffered a setback:

[Begin recording] The traditional and revolutionary friendship is based on a principle that has always been upheld by the government and the workers. [end recording]

Contrary to his custom, Mr Velasquez did not meet with journalists for almost 1 week. Today he addressed over 30 local and foreign journalists and asserted that La Quina's arrest is an action without precedent in Mexican labor union history. He talked about the significance of this action and added that the purge must also be carried out at every government and private sector level.

Mr Velasquez said the CTM has begun a purge that will include even its main leaders—without exception—if they are guilty of illegal actions. Mr Velasquez did not

deny his friendship with Hernandez Galicia, but he did not defend him either. He denied reports that he had talked about the case with the president, and he became upset when he was reminded that he had once said the oil union's enemies were the CTM's enemies.

Mr Velasquez said he had no information about the personal fortunes of Barragan Camacho and La Quina.

[Begin Velasquez recording] The judges and the authorities are the ones who should talk about this. [end recording]

Fidel Velasquez was quite serious during his news conference and, contrary to other occasions, he only made one amusing comment. He defined the situation of the Mexican Oil Workers Union in one phrase: Its future is uncertain.

Cardenas Addresses Rally in Michoacan

PA1301214989 Mexico City EXCELSIOR in Spanish 6 Jan 89, pp 4A, 18A

[Report by Juan Ochoa Vidal]

[Text] Morelia, Michoacan, 5 Jan—Cuauhtemoc Cardenas Solorzano stated here tonight that the new government is not showing the political will to either renegotiate the debt to ease its impact on the nation or to reactivate growth within the country. On the contrary, he said, the government is now imposing a 10-percent limit on wage increases and is also trying to support its economic and political measures with repression.

During the rally attended by more than 10,000 followers—rally organizers say there were 30,000—Cuauhtemoc called on Michoacan Cardenists not to embark on a useless struggle, but to attempt to gain total control of the state congress and the 113 mayors' positions in next December's elections and to later go for the governorship. This is the first time Cuauhtemoc has headed a political event since he began his presidential campaign in November 1987.

Cuauhtemoc's followers came from all over Michoacan, and the event was truly reminiscent of his campaign days. In the huge rally area, people squeezed in and threw themselves toward Cardenas in trying to touch him. As they did during his campaign, they repeatedly shouted: "Cuauhtemoc, Cuauhtemoc...!"

The former presidential candidate gave them the line: "We have to get organized to avoid repression; it is not the time for internal confrontation. No to arrogance or excessive confidence; the PRI forces are reorganizing and starting the counterattack."

During the rally, held in an auditorium attached to a hotel that belongs to a personal friend of Cardenas Solorzano, a moment of silence was observed in memory of Francisco Xavier Ovando, Roman Gil, Ernesto del Arco, and others. "Neither the administration of Miguel de la Madrid nor that of Carlos Salinas de Gortari seems to find the lawful path," said Cuauhtemoc.

The persons attending the event, mostly peasants, shouted "Justice!"

Regarding the foreign debt, Cardenas Solorzano denied that the opposition's actions, especially those of the National Democratic Front, hinder renegotiations. On this matter, he said: "Up to now, we know of no proposal by any government official that indicates how the government is going to renegotiate the foreign debt."

"We do not know if they want to continue surrendering our sovereignty to foreign interests or if they really have the will to negotiate a respite," he added.

He asserted that none of the measures taken by the present government show that it has the political will to attain the goal of easing the load caused by foreign debt, reducing poverty, and increasing democracy, even though these are the three goals it has set.

Cardenas insisted that his followers proceed without focusing on personalities and continue the struggle for democracy. They should prepare for the two upcoming local elections; it will be more difficult than the 6 July federal elections because citizens are not sufficiently motivated to participate in politics when it is only to elect local deputies.

"Anyway, we have to strengthen unity, avoid internal confrontations, and again defeat the system," he said.

PPS Leader Accuses Bishop of Drug Trafficking

FL1701171089 Mexico City NOTIMEX in Spanish 0136 GMT 17 Jan 89

[Text] Oaxaca, Mexico, 16 Jan (NOTIMEX)—Mario Vazquez Martinez, state leader of the conservative Popular Socialist Party [PPS], today accused Arturo Lona Reyes, bishop of the Gulf of Tehuantepec (on Mexico's Pacific), and Genaro Vazquez Colmenares of being the main drug traffickers in the area.

Taking advantage of the poverty existing in the state's seven peasant regions, the prelate and Vazquez Colmenares force Indians to harvest drugs and many of them have been jailed because of this, said the PPS leader.

Vazquez Martinez, who is also federal deputy for the PPS, revealed that Genaro Vazquez Colmenares owns large marijuana and poppy fields in the Tehuantepec District and is protected by high-level Oaxaca politicians.

He added that Lona Reyes uses fields at San Carlos Yautepec, a town located 100 km southeast of Oaxaca, to harvest drugs. Authorities have not intervened and arrested the ones that are truly responsible for this crime, said Vazquez Martinez.

Deceased PPS Leader Replaced; Assembly 27 Jan

FL1801184889 Mexico City NOTIMEX in Spanish 0440 GMT 18 Jan 89

[Excerpt] Mexico City, 17 Jan (NOTIMEX)—Francisco Ortiz Mendoza, spokesman for the Popular Socialist Party (PPS), has said that the death of Deputy Jorge Cruickshank Garcia, leader of the party, was a very hard blow. Ortiz Mendoza asserted this as he announced the appointment of Indalencio Sayago Herrera as substitute leader. He said his party's national leadership agreed on appointing Sayago Herrera—old [Vicente] Lombardo follower, founder of the PPS, and currently finance secretary—while a new assembly is called for 27 January to ratify or elect the new leader. [passage omitted]

Federal Agents, Farmers Clash During Search

PA1601041789 Madrid EFE in Spanish 2311 GMT 15 Jan 89

[Text] Jalapa, Mexico, 15 Jan (EFE)—Police sources reported today that three farmers were killed and five persons were critically wounded during a clash with federal agents.

Armando Ariza, commander of the Federal Judicial Police in Jalapa, reported that the clash occurred yesterday in the town of Ixhuacan de los Reyes, 90 km from Jalapa, capital of Veracruz (located in the country's southeast).

The sources said that the events occurred when police were trying to carry out six arrests and look for weapons in the area.

Costa Rica

Arias Says Duarte Should Set Summit Date

PA1801135789 San Jose Radio Reloj in Spanish 0100 GMT 18 Jan 89

[Text] President Oscar Arias says he has no objection to holding the Central American summit at any time. The president emphasized that the important factor is the health of Salvadoran President Jose Napoleon Duarte, since he will be the host.

President Arias Sanchez said that the letter he sent to his Central American counterparts requesting the meeting's postponement also stated that they should let the Salvadoran president set the date.

Guatemalan President Vinicio Cerezo has proposed holding the summit on 8-9 February but no decision has been made yet. Although President Oscar Arias has accepted the date, he told his Guatemalan counterpart that it is important to hold the technical groups' and the foreign ministers' meetings with enough time to spare before the summit.

This way we will ensure that the agenda pleases everyone and that we will have the opportunity to talk with the technical teams and the foreign ministers before the summit, he said.

President Oscar Arias Sanchez believes that the presidential summit should result in specific and positive agreements for attaining peace in the region. The president said the date for the Central American summit may be set in the next few days, even in the next few hours.

President Arias Sanchez proposed postponing the 15-16 January summit until the new U.S. Administration's views are known, and he requested the support of all Latin American Governments—whose leaders are to attend Carlos Andres Perez' inauguration.

EPS Helicopters Reportedly Violate Airspace

PA1901024589 San Jose Radio Reloj in Spanish 0110 GMT 19 Jan 89

[Statement by Public Security Ministry spokesman Carlos Jimenez; date and place not given—recorded]

[Text] At about 1700, the Civil Police's checkpoints at El Cachito and Las Delicias de Pocosol reported that three camouflaged EPS helicopters overflew Costa Rican airspace and that at one point one of them even flew over the square in Delicias de Pocosol, 1 and ½ km from the border.

In view of this situation, and upon learning the details of the initial reports from the Los Chiles command post, the security minister wrote a note, or telex—which is already on its way—to [Costa Rican Foreign Minister] Rodrigo Madrigal Nieto that reads as follows:

At this moment, verifiable reports are being received that three EPS helicopters have entered our national territory, flying over the observation posts at Las Delicias and El Cachito. The helicopters were at a height of approximately 150 meters.

I am waiting for written reports from the respective commissioners so I can send them to you tomorrow morning. I think it is advisable that you immediately contact the Nicaraguan Foreign Ministry to avoid a repetition of these actions. I feel these actions warrant a strong protest.

Very truly yours, Hernan Garron Salazar, public security minister.

According to the reports, the overflights lasted for approximately 5 minutes. The three helicopters flew over El Cachito and Las Delicias de Pocosol posts from east to west and headed for Nicaraguan territory afterwards.

This is the report on the developments that took place this afternoon at the northern border with Nicaragua.

Guatemala

Defense Minister in U.S. for Medical Tests

PA1901005989 Guatemala City PRENSA LIBRE in Spanish 14 Jan 89 p 6

[Text] Deputy Defense Minister General Guillermo Arturo de La Cruz yesterday confirmed that Defense Minister General Hector Alejandro Gramajo had traveled to the United States where he will undergo medical tests for some health problems he is experiencing.

In brief statements to the press at the National Congress, the high-ranking official explained that Gen Gramajo had in fact been sick but had recovered and was currently in good health.

Gen de la Cruz confirmed that Gen Gramajo had gone to the United States for a medical checkup, but he added that reports indicate that he is in good health.

Army Claims Rebels Operate 5 Radio Stations

PA1801221089 Guatemala City PRENSA LIBRE in Spanish 14 Jan 89 p 8

[Text] Colonel Luis Arturo Isaacs Rodriguez, the head of Army public relations, yesterday reported that there are five portable radio stations being operated by rebel groups in Guatemala. According to Isaacs, the Guatemalan Armed Forces have perfect control over these stations.

Isaacs, the DIDE [Information and Press Department of the Army] director, said the rebels transport these small stations from place to place. The Army's electronic systems immediately pick up the stations' signal and interfere with their broadcasts.

Isaacs alleged that no one listens to these stations because their range is so weak. Furthermore, he said honest Guatemalans would never intentionally listen to false information that is only intended for destroying the nation's customs and tranquillity.

Col Isaacs said the small rebel groups that can still be found in Guatemala have resorted to deceit to try to survive; however, they have lost international credibility. He added that the rebels were responsible for the massacre in the village of El Aguacate in Chimaltenango Department, in which over 90 children were orphaned.

Energy Minister Reports Oil Exports Drop
PA1801125589 Panama City ACAN in Spanish 1838 GMT 15 Jan 89

[Summary] Guatemalan Energy Minister Roland Castillo has reported that 1988 was Guatemala's "worst" year concerning oil exports. Monthly shipments dropped from an average of 10-12 in 1983 to about 5 in 1988, and prices ranged between $10.62 and $13.34 per barrel, bringing in only $10.5 million compared to the peak year of 1983, when revenues totaled $64.3 million. Castillo said prospects for 1989 are better because new wells will be drilled to increase daily production, which currently stands at approximately 4,000 barrels per day.

Nicaragua

Ortega Addresses Basic Forces of Revolution
PA1801213489 Managua Sistema Sandinista Television Network in Spanish 0034 GMT 18 Jan 89

[Speech by President Daniel Ortega Saavedra at the closing ceremony of the sixth assembly of the basic forces of the revolution in Managua on 15 January—recorded; broadcast in progress]

[Text] We have taken note of the document you gave us, the problems you mentioned in your remarks, the initiatives you submitted. We are going to incorporate them into our discussion process. With these substantial elements, enriched by your contributions, the National Directorate can discuss this issue. We are discussing the economic problem and its connections to other factors. These factors play a key role in Nicaragua's economic crisis. These factors are related to the Yankee empire's aggression against our country and to the 8 years of aggression by the Reagan administration that our country has endured.

We have focused our efforts on defending the revolutionary government. The decision-making process has to be democratic. This means that the technical judgement of experts must not be the only thing taken into consideration. The judgement of comrades who, although lacking proper training or higher education, have acquired technical knowledge on the job must also be considered. I mean agricultural and industrial workers as well as farmers. Here is where we clearly see what the workers, patriotic farmers, and social classes know about the economy and economic problems. Their knowledge leads to ideas, proposals, and initiatives within the framework of constructive and general self-criticism, which the people's revolutionary government is conducting.

The factors are predominantly political. U.S. aggression is not only seen in military terms but also in economic terms. We have succeeded in defeating the mercenary forces as the Yankee government's instrument for trying to destroy the revolutionary government. These forces have not been buried yet, but they have been defeated. If the Yankee government, which is implementing a policy against Nicaragua and has other resources, decides to maintain a policy of war and aggression against Nicaragua, it can undoubtedly resort to those other instruments, including the use of U.S. troops—that is, Yankee intervention in our country. These factors are not clear. We are not sure yet what policy the new U.S. Administration will pursue regarding Nicaragua.

The contras, acting like the criminals and terrorists that they have always been, are killing our civilian population. Therefore, first of all, we cannot lower our guard in regard to the military defense of our country. However, defeating the U.S. Government's mercenary forces has meant for the nation as a whole, and individually for workers, peasants, youth, and patriotic producers, a cost in lives as well as an economic cost. The economic cost has been reflected in what we call inflation. Last February we began implementing a number of economic adjustments. The fact that we have decided to make these types of adjustments has led some to wonder if these adjustments are related to or similar to IMF measures. However, the measures we have adopted here in Nicaragua are of a different nature, because the IMF measures are not aimed at encouraging development.

We are adopting these types of measures because we are thinking about the nation's future development. We must first go through an initial phase; this is the phase we have been experiencing since the revolutionary victory over Yankee aggression. This phase has not ended yet; this is the phase of defense of revolutionary power. It is important that this be perfectly clear. We are defending revolutionary power. That is our main objective.

We have taken actions that are within the pluralist framework of a mixed economy. We have been trying to safeguard a mixed economy and to strengthen political pluralism. This is why we have taken some actions. It is important to make clear that it is the people who depend on salaries, both in the cities and in the rural areas, who have paid the highest price for defending revolutionary power. This includes the employees of the industrial sector; of the coffee, cotton, livestock, and other agricultural sectors; and of the revolutionary government. The measures that have been implemented so far have emphasized the military defense of the country and given secondary importance to social programs.

If we were to add the EPS budget to the budgets of the health sector—which is the second largest budget—the Interior Ministry, and the Education Ministry, we find that we are speaking of 64 percent of the national budget, or 40 billion cordobas at the November exchange rate.

The situation, however, is different, because—to provide a clearer picture—we are making these efforts, which are highly political in nature, because we are determined to preserve this pluralist and mixed-economy system since we lack foreign exchange. In other words, since we do not have the support given to some countries, which receive hundreds of millions or billions of dollars from the IMF, the World Bank, the Inter-American Development Bank; since we do not receive this fresh money, we have less money to spend. If we do not spend less, we will be unable to curb inflation. The result would be the total collapse of the economy.

This phenomenon forces us to allocate our productive efforts in terms of social, economic, and defense sectors. Every man is productive. A soldier is productive if he serves well. A teacher is productive and a health worker is productive if they fulfill their duties with students and patients. A person working in the economic, agricultural, and industrial sectors can be productive.

In this effort, we have counted on the support of the majority of the Nicarguan people. There are sectors that enjoy the benefits of a mixed economy and political pluralism, but they have worked against the mixed economy and political pluralism. All they have done is to create chaos in our country, and they hope this will lead to the defeat of the revolution. They do not realize, however, that we have reserves and we have other options. If we have not yet resorted to our other options, it is simply because we have tried and we are trying to create a political, economic, social, and revolutionary system with the participation of all sectors of Nicaraguan society.

This type of revolutionary system, however, demands and calls for an end to U.S. aggression to stabilize this system. If all the sectors that say they are interested in political pluralism and mixed economy in this country do not make a serious effort to end Yankee aggression and implement these economic policies under better conditions so we can increase exports and productivity in the country, then this effort will be torpedoed and sabotaged. If terrorist, aggressive policies continue, we will not have any other option but to change the system.

They will then have to seek democracy and wealth in Miami. No longer will Nicaragua be the place for these people to acquire wealth. [applause]

We are already cutting our national budget by an additional 20 percent. We need to invest 285 billion cordobas to continue work that has already been started—nothing for new projects, new enterprises, or new factories; instead, we need that money just to finish those projects that are 20, 40, 90, or even 99 percent complete. We just do not have the cordobas. We could simply print more money, but this would cause more inflation.

We must also cut back on investments. We did make an initial cutback in order to balance the budget. We are making cuts in the defense budget, social sectors, and the central government's bureaucracy.

We left the budget at 117 billion cordobas—we had drastically reduced investments from 285 billion cordobas to 117 billion cordobas—and still the budget did not balance. When we met yesterday and continued working on the budget, we reached the conclusion that we have to cut back on investments even further. We have to cut investments from 117 billion cordobas to 62 billion cordobas. The foreign resources needed for the economy to operate under these great restrictions surpasses $150 million. In other words, after the Ministry of Foreign Cooperation made great efforts to enlist international support, credits, donations, and long- and short-term loans, we still find that to enable the economy to work in accordance with this proposed restricted budget, the country needs a minimum of $150 million, which is just not available.

This is not simply $150 million that a friendly, well-intentioned country can loan or donate to us; this is $150 million that is needed right now for this very tight and limited economic program.

We must therefore review and make efforts in every enterprise and revolutionary government institution, and between the enterprises' directorates and the rank and file, to clearly learn the economic status of each institution and enterprise in order to make the right decisions—and not just arbitrary ones.

The FSLN must set the pace and lead the way with all this. The FSLN has asked for a 50-percent cut. A 50-percent cut has been made.

Of course, a big question and doubt arise as the result of all of these economic measures. What will happen to those who are layed off. For instance, 100 workers could be listed on a payroll. Consequently, money is received to pay those 100 workers. But, in truth, the payroll is never full. There are maybe 40, 50, 60 or 80 workers. The rest of the names must be eliminated. We will now work with the true payroll and thus trim the system. But we must have an answer for those who are layed off. These workers cannot be left jobless. It is true they are without a job in a particular institution, but they must have a chance to work elsewhere, because we have other opportunities for them here in this country.

There are alternatives in the production and service sectors. Production is vital because, even if we take these measures with mathematical precision, inflation will increase if we do not increase production. We must

strengthen the productive sector. With political willingness and a right attitude, nobody would have to be layed off in this country. We have hundreds and even thousands of jobs available in the rural areas. We have thousands of jobs available in coffee production, which is our strategic source of income. We have to use shock forces, so to speak, to increase coffee production. Jobs will be guaranteed for workers who have been layed off in other areas. At the same time, these workers will contribute their efforts and productive ability to increase coffee production.

We must devote great effort to cattle raising and cotton production. We cannot abandon cotton production just because current prices are less than those of the 50's or 60's. We cannot forsake the production of sugar just because prices are very low. We must maintain our efforts to increase production without neglecting the military defense of the revolution. You must take into consideration these important factors.

It is no secret that we have been discussing these types of measures. There is a budget, cuts have been made, and the effects of the crisis are being experienced. We cannot close our eyes to this reality. We must find solutions with a great revolutionary fervor. We must take economic measures of this kind with a revolutionary fervor to protect the people's right to work and and to improve services and increase production. We will not, however, take IMF-type measures to sacrifice the people to provide a development plan for the nation.

We have to appreciate today's meeting because it is taking place at a time when we are about to make decisions that will have a profound effect; decisions that will no longer be government decisions, decisions that will no longer be decisions of a cabinet minister, but decisions of the revolutionary power, of the organized masses, of the FSLN government. They are political, economic, and social decisions. That is, they are comprehensive decisions that are linked to the domestic and international situation.

Logically, these decisions will be correct and effective to the extent that they result from an analysis by the rank and file, and not just by the leadership. Instead, with their experience and practice, the rank and file [word indistinct] the leadership of the revolutionary government so the decisions will be truly democratic. The procedure we are using is democratic, our conclusions will be democratic, and we will have to support them with the rank and file's full strength and enthusiasm.

We have to reduce the budget and reduce investments. We also have to reduce our weaknesses, our own deficiencies, and our own indiscipline. We have to make cuts everywhere—not just at the management level, where weaknesses, faults, and corruption may exist; not just in the central government bureaucracy, but at the rank and file level—because the weaknesses and vices we inherited from the past exist within the various structures of Nicaragua's society. We must be watchful, in a constructive sense, to tackle this problem.

These are the things we are pondering at the National Directorate, and it is important to share them with you. We are already taking these actions in this effort and they have had a given impact which you yourselves are already experiencing. We cannot take rash actions but we must act in an orderly fashion to find a solution in keeping with the interests that the people's Sandinist revolution defends.

Adjustments will have to be made. The plan of action that [words indistinct] in an integral manner; what we will do in the different sectors; and what we are going to do in the economic sector, the production sector, the defense sector, the political sector, the domestic sector, and the international sector, and with the [words indistinct] the Nicaraguan working class, the urban and rural workers, and the patriotic producers. So, let us implement these measures.

We are going to give an opportunity to the social, economic, political, and religious groups that have never voiced a constructive opinion concerning the various measures the revolution has adopted. We will give a new opportunity to those who have used and continue to use democracy in our country, where there is pluralism and mixed economy. This pluralism goes as far as allowing political groups and unions to speak out in favor of the interventionist policy of Yankee imperialism, at a time when Yankee imperialism is murdering our people. However, are these people going to join, once and for all, this revolutionary process with a patriotic sense?

(?As we can see here), the workers have paid an enormous price to maintain a plan that these people use for their own benefit and make themselves accomplices to the crimes that have been committed against the workers in the city and in the country. They have become accomplices to the economic deterioration that the working class has endured.

The Sandinist front workers are ready to give another push and to give another opportunity to these social, economic, political, and religious forces that have been counting on Yankee intervention and the defeat of the revolution. The time has come to understand that this [word indistinct], this true democracy, was created by the Nicaraguan people and that the course of this democracy cannot be changed just because the opposition desires it.

History has advanced in Nicaragua. It cannot backtrack, and the workers who made the most sacrifices are giving those sectors an opportunity to participate constructively in the struggle for our country's sovereignty, for our national interests, in the struggle to defend this mixed economy within the political system.

We will make the required effort, and we invite them to make their corresponding effort. It is with this spirit that we must continue working, continue carrying out the different tasks that the defense of the revolutionary power demands [words indistinct].

We are at the stage of defending the revolutionary power, while still working to save the economy and increase production. It is part of the defense of the revolutionary power to find ways to increase production, and we are going to increase production. With political pluralism or without political pluralism, the revolution will stay, despite the fact that President Reagan has tried to destroy it for the past 8 years.

This is a call for all those who had illusions that the revolution would be destroyed by Reagan's policies to pay attention. The popular power of the workers and peasants remains and Reagan is leaving. The revolution remains. [crowd shouts: "yes!"] Reagan is leaving. The revolution remains [crowd shouts "yes, and Reagan is leaving!"] [applause]

Defense Ministry Reports Honduran Army Attack

PA1801202189 Managua Radio Sandino in Spanish 1945 GMT 18 Jan 89

[Text] The Nicaraguan Defense Ministry issued a communique this morning announcing that Honduran Army troops attacked, in an act of provocation, the EPS's observation post in Murupuchi, Nueva Segovia, on 15 January. Auxiliadora Martinez reports from Juigalpa:

[Martinez] The counterrevolution carried out [words indistinct] against EPS troops [words indistinct]. During these clashes, 13 contras were killed while 4 EPS soldiers were killed, and 3 were injured. [passage indistinct]

Exiles in Guatemala Vow To Continue Struggle

PA1801151089 Panama City ACAN in Spanish 1516 GMT 17 Jan 89

[Text] Guatemala City, 17 Jan (ACAN-EFE)—Azucena Ferrey, leader of the Nicaraguan Resistance (RN), said today in Guatemala City that more than 25,000 Nicaraguan exiles living in Guatemala will continue the struggle against the Sandinist government "in search of democracy in Nicaragua."

Ferrey arrived in Guatemala City yesterday from the United States, where she lives. She said the exile organization Alliance of Nicaraguan Women "will continue working in 1989 for the defense of the women who live in Nicaragua."

She said the Nicaraguan Government continues to "trample the Nicaraguan people and violate human rights," maintaining 10,000 political prisoners in "deplorable" conditions. She added: "We plead for their freedom."

Azucena Ferrey said the RN leaders have not renounced dialogue with the Sandinist regime, "but we have received no reply" after the talks held last year in Guatemala City, where no agreement was reached.

Ferrey declined to comment on U.S. President-elect George Bush's policy, the support his administration might give to the contras, and on the situation of the 10,000 Nicaraguan rebels who remain in Honduras.

Panama

Noriega Declines Comment on Possible Candidacy

PA1901011189 Panama City Circuito RPC Television in Spanish 2325 GMT 1° Jan 89

[Text] ACAN-EFE has asked General Manuel Antonio Noriega, in light of the fact that 2 February is the deadline for the registration of presidential candidates, whether he feels the time has come to say whether or not he will run for president in the upcoming 7 May elections. Gen Noriega responded by saying: As Napoleon said, the time is right when the time is right. Before the right time it is not the right time. After the right time it is not the right time, because the right time is the right time.

ACAN-EFE said that in recent speeches, Noriega has repeatedly said that the forces that support the regime will not give up the presidency or the military command until the military withdrawal of the United States in the year 2000.

Noriega on Air Force, Military School Plans

PA1801134789 Panama City Televisora Nacional in Spanish 2300 GMT 17 Jan 89

[Interview with General Manuel Antonio Noriega by unidentified reporter at the Air Force Base in Panama City on 17 Jan—recorded]

[Text] [Noriega] The development of the Air Force, which is celebrating its 20th anniversary, is the result of a doctrine outlining the development of our Armed Forces. Based on this doctrine, the Air Force serves the community and Panamanian society—it is not an offensive Air Force. This doctrine has been strengthened for 20 years and we must perfect it. We must have the resources in place to cover and protect Panamanian airspace in 1999.

[Reporter] Commander, what about the establishment of a military school?

[Noriega] The military school has a place in our development plans; it represents both savings and professionalism. We will be able to impart the Panamanian doctrine in the schoolroom.

Paper Ridicules Bomb Scare at U.S. Consulate

PA1801215289 Panama City CRITICA in Spanish 18 Jan 89 p 1

[Text] Southern Command bomb experts made fools of themselves yesterday when in response to a call from U.S. Ambassador to Panama Arthur Davis and his adviser John Maisto, they arrived at the U.S. Consulate on Balboa Avenue in Panama City to defuse an alleged bomb that ended up being a shoe box containing underwear that someone who visited the diplomatic offices probably left outside the building.

Yesterday morning, Davis and Maisto urgently called Southern Command bomb experts and asked them to go to the U.S. Consulate with their highly sophisticated equipment, and wearing gear similar to what astronauts wear, to defuse a bomb that had been placed on the outside of the U.S. Consulate. The Southern Command experts put the shoe box in a special tank for diffusing bombs, but a few hours later we learned they had a big surprise when they found out the box only contained some dirty men's underwear, which was probably left there by some forgetful person.

Some observers have not ruled out the possibility that the whole incident could be part of the destabilizing campaign that Davis and Maisto are promoting against Panama. If that is the case, the incident becomes even more important now that we are only a few hours from the end of genocidal Ronald Reagan's presidential term.

The case of the false bomb is probably similar to the well-known international scandal promoted by the U.S. military in Panama, who a few months ago shot at palm trees claiming the palm trees had attacked them. A similar incident happened last Halloween night.

A week ago, extreme security measures were taken by the gringos of the U.S. Embassy and Consulate when a car crashed and overturned at a street corner near the U.S. Embassy. Many security alarms and sensors went off immediately after the crash.

[The above article is accompanied by a cartoon showing a U.S. bomb squad member wearing protective gear. The bomb squad member's helmet reads: "Made in the U.S.A." The bomb expert, who is shown shivering with fear and wearing a surprised expression, is holding a pair of smelly polka dot boxer shorts, which he has taken out of a "Guffi" brand shoe box. Next to the bomb squad member, there is a garbage can with a man inside saying "false alarm." Shown in the background is the Consulate building and U.S. Consulate officials hiding behind a desk as well as a group of people saying "phew".]

U.S. Investigates Shoot-out With 'Intruders'

PA1801152989 Panama City ACAN in Spanish 1445 GMT 18 Jan 89

[Text] Panama City, 18 Jan (ACAN - EFE)—The U.S. Army Southern Command, stationed in the area bordering the Panama Canal, is investigating a shoot-out between U.S. soldiers and a group of "intruders" near one of the military installations' fuel deposits.

A U.S. military spokesman today told ACAN-EFE that the shoot-out occurred the night of 15 January in the Southern Command's fuel deposits at Arraijan, 15 km southwest of Panama City.

The source stated that the incident is being thoroughly investigated, as there are "still many confusing details" about the incident.

This is yet another of the long chain of incidents that the Panama Defense Forces ironically refer to as "the palm trees' war," claiming the "intruders" have never left any trace.

The Southern Command's first reports about the clash state that the U.S. troops suffered no casualties, adding that it is not known whether there were any casualties among the "aggressor" group.

For the past several months, the U.S. Southern Command has reported various shoot-outs between its troops and groups of intruders who have approached areas near U.S. military installations.

Perez Invites Solis Palma to Inauguration

PA1801125789 Panama City Televisora Nacional in Spanish 2300 GMT 17 Jan 89

[Text] Venezuelan President-elect Carlos Andres Perez has invited Manuel Solis Palma, minister in charge of the Presidency, to his inauguration. Perez says he is pleased to send his personal invitation to Solis Palma to join him in the 2-3 February inauguaration ceremonies.

Carlos Andres Perez adds in his invitation that this will be a great opportunity to meet with the other heads of state and government who will honor him with their presence, and to exchange ideas and views about common problems and the policies that must be approved and carried out to attain the supreme goal—the consolidation of democracy and our people's rights, and the establishment of our common welfare.

Clandestine Telecast 'Flagrant Provocation'

PA1801130889 Panama City MEDIODIA in Spanish 17 Jan 89 p 11

[From the unattributed "Political Gossip" column]

[Text] The program of a well-known popular sports commentator was interrupted yesterday by a clandestine announcement about a clandestine television transmission.

At the given hour, the telecast was aired on a clandestine channel, presumably from the occupied area of the Canal. This is a new and flagrant provocation!

Revolutionary Party Leader on COLINA

PA1901005689 Panama City Televisora Nacional in Spanish 2300 GMT 17 Jan 89

[Text] Luis Gaspar Suarez [president of the Revolutionary Panamenist Party, PPR] returned to Panama last night after spending several days in Havana, where he was invited by Fidel Castro to participate in ceremonies marking the anniversary of the Cuban Revolution. Gaspar Suarez was greeted at Omar Torrijos Airport by a large group of party supporters shouting party slogans. In an interview with this station, Gaspar Suarez said that during his visit to Cuba, he talked with Castro and other high-ranking Cuban officials about the Latin American political situation, specifically about Panama. He was asked about the establishment of COLINA [National Liberation Coalition]:

[Begin recording] [Gaspar Suarez] The name says it all: National Liberation Coalition. Our people are fully engaged in the process of liberation, and the PPR has been in the vanguard of the revolutionary struggle since the U.S. treachery began. That is why we are very pleased with COLINA and, as always, we will be at the front of this movement.

[Reporter] What can you tell us about your presidential aspirations and those of the other parties?

[Gaspar Suarez] As you know, the PPR nominated me for president. I will remain the party's presidential nominee, unless we patriotically decide, through negotiations and consensus, that another option is best for the country. [end recording]

PALA's Sieiro on Leftists in COLINA

PA1801135689 Panama City Circuito RPC Television in Spanish 2300 GMT 17 Jan 89

[Unattributed report on news conference by Ramon Sieiro, secretary general of the Labor Party (PALA), with unidentified reporters; date and place not given—recorded]

[Text] [Reporter] PALA Secretary General Ramon Sieiro has said that even though leftist parties are in the progovernment political alliance, the National Liberation Coalition [COLINA], the objective of the alliance is national liberation.

[Begin recording] [Sieiro] Methods and ideologies are not what unite us; we are united in this coalition of parties by the lowest common denominator: our country's national liberation. We have discussed this as a working platform, which we are expanding so as to present a government program to the Panamanian people. As for those leftist parties, we are pleased they are participating. They have been active in the various commissions, and we think their contribution is very important. They also have representatives on the commission on candidates, so we hope they will be presenting their candidates to be considered for the various electoral districts where they want to run candidates.

[Reporter] What method will be used to determine the nomination of legislative candidates?

[Sieiro] First, we have to draw up a list of all the candidates in the country. Each party will state the merits of each candidate, and we will analyze each one's possibilities. Therefore, this is a rigorous and in-depth selection process. The names of these candidates will not be ready in less than a week. [end recording]

PCC Workers Summoned Over Delinquent Payments

PA1801155889 [Editorial Report] Panama City CRITICA in Spanish on 18 January publishes on page 14 three edicts issued by the General Revenue Directorate of the Finance and Treasury Ministry. The edicts individually summon Jorge Teran, Rosa Elena Tribaldos, and Raimond Robinson—all identified as working for the Panama Canal Commission (PCC) Masters, Mates, and Pilots section—to appear in court to defend themselves in the legal proceedings initiated against them under the attachment authority of the Regional Revenue Administration, "because of delinquency in the payment of income tax and education tax."

Weekly Review of Political Situation

PA1801223989 [Editorial Report] The following is a review of material from the Panamanian and regional media related to the current political situation in Panama. This review covers the period from 10 to 16 January and includes some items that have been processed in fuller form.

Relations With the United States

During the reporting period, Panamanian media prominently featured two issues involving U.S. relations: a recent meeting of the Panama Canal Commission Board of Directors from which the Panamanian delegation withdrew and the U.S. Government's refusal to turn over to the Solis Palma regime taxes withheld from the wages of Panamanian employees.

All local papers reported the Panamanian delegation's withdrawal from the Canal Commission Board meeting in Houston 9-13 January. The papers subsequently carried a communique in which the Panamanian Government explained that its representatives would not participate in a meeting attended by Juan B. Sosa, whom the United States recognizes as the legitimate Panamanian ambassador to the United States.

In general, the progovernment media applauded the Panamanian Government's position and criticized the United States and President Reagan. Panama City

MATUTINO carried a 13 January editorial that called Reagan a "decrepit and arrogant man" and Sosa a "dull, malleable, and insignificant nonentity." In Panama City LA REPUBLICA on 15 January, columnist Luis Restrepo writes in his "Vox Populi" column entitled "The Appropriate Decision" that the Panamanian delegation's decision was the correct one. He says that in the history of Panama-U.S. relations, the Reagan administration will be remembered as representing "genocide, felony, insults, offenses, aggression, shamelessness, falsehood, underhandedness, and ignorance."

Also related to the Canal Commission Board Meeting, MATUTINO carried on 13 Januay a front-page report by Roberto Rodriguez criticizing the Canal Board of Director's decision to increase canal tolls on 1 October. Rodriguez quotes "Latin American sources" as saying that the increased tolls will have a "negative" effect on their countries' economies.

On the matter of the withheld taxes, Panama City MEDIODIA on 13 January carried a report by Jose Montano on measures that the Panama Canal Commission has pledged to take to aid employees affected by Panamanian Government's tax collection proceedings. Montano writes that he considers the Commission's action to be an attack on Panama's rights. The article calls for direct, revolutionary action to halt this "offensive" launched against Panama's "legitimate fiscal rights" and the canal's "stability."

A "Let the People Judge" column by Ricardo Lince carried by MATUTINO on 16 January maintains that, to spite Panama for a demonstration staged on 9 January, the Reagan administration will continue to withhold the employees' taxes and will use money from the canal annuity to pay employees compensation for confiscations carried out by the Panamanian Government. The columnist says the Panamanian Government will consider this compensation to be additional income for tax purposes.

Only one columnist was observed to come out against the Panamanian Government's announced intention to confiscate the property of U.S. Government employees to compensate for unpaid taxes. In his "Moyolandia" column carried in the 12 January MATUTINO, columnist Harmodio Icaza, a legislator for the progovernment Labor Party, PALA, suggests that the confiscation measure is "unconstitutional" and could even be considered "highway robbery."

The media carried harsh criticism of President Reagan, who is blamed for the economic sanctions against Panama, and of U.S. Ambassador Arthur Davis and other members of the U.S. Mission. An article in the "Hard Line" column by Alberto Barrera carried by Panama City CRITICA ON 11 January calls for the expulsion of Davis and Deputy Chief of Mission John Maisto. Panama City LA REPUBLICA ON 12 January carried as its front page a full-page picture of President Reagan and deposed Panamanian President Eric Delvalle shaking hands over a caption identifying them as "the genocidal one and the traitor." The caption says that the "sadistic White House cowboy shakes the hand of the man history will know not only as a traitor, but also as a criminal.... Scum and carrion greet each other, sealing forever their ignominious pact." CRITICA carried the same picture and caption on its back page on 13 January.

LA REPUBLICA on 13 January carried a picture of a sign PALA had placed in Panama City's 5th of May Plaza. The sign has a countdown of the days remaining in Ronald Reagan's "disastrous, genocidal administration." LA REPUBLICA also carried daily cartoons by Chic Martinez, all of which were devoted to U.S.-Panamanian relations in this period. One showed a figure wearing Uncle Sam's hat looking down the street of Panamanian elections; a Panamanian boxer is shown standing in the way and vowing that Uncle Sam will not pass. Another cartoon showed Uncle Sam being smashed by the double fists of self-determination and national liberation.

The "Famous Letters to Tula" column by Changmarin carried by CRITICA on 13 January contains a prayer written for a Thanksgiving mass to be held on the day President Reagan steps down. The prayer asks that God roast Reagan in hell.

In the only optimistic note observed in the media concerning relations between the two countries, Panama City Telemetro Television on 11 January cited Alfredo Ramirez, president of the opposition Nationalist Liberal Republican Movement, MOLIRENA, as saying that his party proposes improving relations with the United States. In a recording, Ramirez said that MOLIRENA and a prestigious firm of Panamanian economists are preparing a national reconstruction plan with measures to overcome the economic crisis. He said: "We believe Panama can have relations with all the world's countries. Panama is an independent, sovereign country. It has the right to have relations with all the world's countries. However, we believe that for Panama's own good, and for relations with the United States to progress, we must be realistic and act with sufficient ability to ensure that, without undermining our sovereignty or our rights to the Panama Canal established by pacts and contracts, we will be able to improve relations with the United States in the future."

Domestic Political Affairs

Although a Paris AFP report on 11 January cited the opposition Panamanian Committee for Human Rights as saying that 16 opposition civilians are still in jail as political prisoners, the opposition has joined government parties in preparing for the May 1989 elections. MEDIODIA reported on 12 January that both government and opposition political parties had met with the Electoral Tribunal to finalize details of the elections. The report adds that 1.14 million people are expected to vote.

However, MEDIODIA on 11 January cites statistics from the Office of Electoral Organization stating that 204,867 citizens have resigned from membership in the various legal political parties. The report states that of 750,463 formerly registered voters, only 545,596 remain valid. It adds that the most resignations, 60,000, have been from the Democratic Revolutionary Party.

A LA REPUBLICA editorial on 13 January comments on the opposition's decision to participate in the elections. It says: "The opposition, which was talking about coups d'etat, reconciliation governments, and government juntas with the backing of the Reagan administration, has realized that all these have failed...."

The opposition had announced earlier that it intends to field a single candidate, and several opposition parties have nominated their choices for inclusion on the opposition ticket. However, MEDIODIA reported on 13 January that a poll conducted by members of the Civic Crusade shows Mireya Arias, widow of former President Arnulfo Arias, as having the greatest popularity among possible opposition candidates.

For its part, the progovernment National Liberation Coalition, which has also announced its intention to field a single ticket, presented its party platform and a list of possible candidates during a press conference carried by Telemetro Television on 12 January.

One event that received extensive media coverage during this reporting period was a political-military seminar held for captains of the Panama Defense Force, FDP, beginning on 10 January. The seminar, at which several FDP officers and government officials addressed the captains, was attended by two visitors from Nicaragua's EPS: Chief of Intelligence Ricardo Wheelock and Deputy Chief of Staff Javier Carrion. The event culminated on 13 January with a "Military Declaration" issued on 13 January and published by CRITICA on 14 January. In the declaration the captains pledge allegiance to FDP Commander in Chief General Manuel Antonio Noriega.

Socioeconomic Developments

Business and opposition sectors have been observed to report a continued decline in the country's economic situation. For example, Telemetro Television on 10 January cited a local cattleman as having said that meat consumption dropped 17 percent throughout the country in 1988. In the same 10 January newscast, Telemetro cited a former president of the Panama Hotel Association as saying that hotels are now working at 30-percent capacity. On 16 January, Telemetro Television also quoted the president of the Industrialists Association as saying that several companies will be closed soon because they have been unable to replenish stocks since banks have not been providing financing.

On the other hand, the Solis Palma regime continues to accentuate through the media what it considers to be its accomplishments while calling for greater sacrifice from the people. In this line, LA REPUBLICA reported on 11 January that Finance Minister Orville Goodin told FDP captains during the political-military seminar at Fort Amador: "There is no national liberation or economic independence without social cost."

Concerning positive economic news, LA REPUBLICA on 11 January cited the director of the Foreign Trade Institute as saying: "Despite the crisis, we have increased our level of development in other markets and reduced our dependence on the U.S. market by 40 percent." Also in this issue, Social Security Institute Director Ilka Viejo is quoted as saying that her organization paid 251.4 million balboas to retirees in 1988. An article in LA ESTRELLA on 11 January announced that Solis Palma had resolved two serious economic problems in San Miguelito District: He legalized land ownership for some 3,000 squatter families and turned over houses to 9 victims of the October floods in the area. Meanwhile, another article in the same paper reported that Housing Minister Ricardo Bermudez said his ministry plans to build 15,000 housing units for poor families in Colon, Panama City, and other areas.

However, the media continued to report on the government's delay in fulfilling its promise to pay workers their 13th-month bonuses, a portion of which has been due since August. The government's latest formula for meeting the workers' demands was reported by Televisora Nacional on 13 January: the issuance of negotiable I.O.U.'s to be redeemed in a series of lottery drawings through April 1991.

Also apparently reflecting a lack of government funds, the general manager of the Panamanian Tourist Institute announced to the media that the government will not sponsor the carnival season this year. Private enterprise was encouraged to finance carnival activities. Moreover, the last day of carnival will not be an official holiday this year. Panama City Circuito RPC Television on 16 January cited Yolanda Pulice de Rodriguez, president of the Electoral Tribunal, as saying that 7 February is the deadline for parties to nominate their candidates. She added that although it is the last day of carnival, it will be a normal workday.

Finally, despite media reports on the regime's efforts to overcome economic difficulties, an editorial in Panama City LA ESTRELLA DE PANAMA on 15 January says that the government has not adopted a realistic approach to the economic crisis. It says: "There is a fact that national government leaders, not to mention government workers, have no wish to face. The public sector's income is insufficient and will not be enough to meet the burdensome payroll of existing employees. The national government is coping by stopgap measures. So far, only the private sector has paid the price of the crisis. Over 60,000 workers have been dismissed, thousands of others have

been placed on leave without pay, and working hours and days have been reduced. Only in these ways has private enterprise been able to cope. However, in the public sector, for strictly political reasons, there has been no way to implement the mechanisms that will make coping less painful. The time will come when the consequences of instability, political fear, and even complacency will be fatal and ruinous for the thousands of Panamanians who are sheltered by the government blanket.... To continue to maintain on government payrolls a large number of useless positions, better known as 'sinecures,' and other such privileges represents at this time a mockery of the crisis and of the other economic problems the government is facing."

Argentina

Caputo Criticized for Silence in Ferry Case

PY1801180189 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1255 GMT 18 Jan 89

[Text] Buenos Aires, 18 Jan (NA)—Federico Storani, chairman of the Chamber of Deputies Foreign Relations Commission, today stressed the Foreign Ministry's "prudence" in the case of the British ferry's arrival in Montevideo from the Malvinas Islands. Storani's remarks appeared in the midst of disputes over the Argentine position.

The UCR deputy added, however, that this ferry must not be allowed to return to Montevideo. He explained that the request for an explanation from the Foreign Ministry is related to the need to know the future attitude and not to the position adopted during the time the ferry was docked in Montevideo.

While the "Indiana I" is heading for the southern Chilean port of Punta Arenas, several Argentine sectors continued to talk on the matter. Some of these sectors demanded the resignation of Foreign Minister Dante Caputo.

Entre Rios Governor Jorge Busti has sent a telegram congratulating the CGT [General Confederation of Labor] for the negotiations carried out with its Uruguayan counterpart, "thus showing that the Argentine labor movement not only worries about specific demands but also defends the highest national interests, thus overiding the absence of the Foreign Ministry," he stated.

Members of the Malvinas Institute for National Emancipation have accused Foreign Minister Dante Caputo of "having committed the most serious dereliction of a public official's duties." For this reason they have demanded his resignation from his post.

Among the signatories of a document submitted to Caputo are: Youth leaders Carlos Suarez and Miguel Trinidad; Intransigent Party leader Raul Rabanaque Caballero, Justicialist Party [PJ] member Andres Framini, and Jorge Enea Spilimbergo, representative of the National Party of the left.

The members of the Malvinas Institute have stated that Caputo "has deliberately ignored the opportunity to voice the Argentine sovereign rights over the Malvinas, Sandwich, and South Georgia Islands, which are being usurped by Great Britain."

Nestor Vicente and Luis Zamora, the United Left Alliance candidates for President and Vice President, have sent a telegram to the Sole Central Organization of Chilean workers asking them to join the Uruguayan and Argentine workers' boycott of the ferry's operations.

"In view of the Anglo-Yankee attempt to establish a maritime line with the continent in an effort to perpetuate the colonization of the Malvinas Islands, and to continue plundering the wealth of our territorial sea, we ask that for the sake of Latin American solidarity all possible efforts should be made to implement the common resolution issued by the Argentine and Uruguayan labor organizations, and to boycott all mooring, loading, and unloading operations in Punta Arenas of the pirate ship which is attacking all of Latin America," the telegram states.

Members of the "Dardo Cabo Brigade," who tried to board the ship in Montevideo, reported that the "political operation" was accomplished without the knowledge of the Justicialist Party officials.

The 13 members of the brigade yesterday burned a British flag at the door of the PJ "Facundo Quiroga" office, and then they granted a news conference, headed by Justicialist leaders Patricia Bullrich, Jorge Reyna, and Eduardo Shargorosky.

The news conference was held at 800 Santa Fe Avenue, and the members of the Dardo Cabo Brigade took the opportunity to paint slogans on the Swiss Embassy's sidewalk, on the building's mailboxes, and on a Mercedes Benz car with diplomatic license plate, referring to the return of the Malvinas to Argentine, in addition to praising Justicialist leader Juan Peron.

Mario O'Donnell, the UCR national deputy candidate, also congratulated the Uruguayan and Argentine labor unions for their decision to boycott future trips of the "Indiana I."

"We Argentines must never forget that Great Britain has usurped our Atlantic Islands, and that many of our young men lost their lives or were injured there," he stated.

[Words indistinct] Deputy Eduardo Vaca criticized Caputo, stating that he "complimented the Uruguayan Government's decision to allow the mooring of the ship at the Montevideo port, thus adding more negative elements to the already deteriorated [passage indistinct].

Vaca said that this "establishment of a maritime service" represents a "new failure of the Argentine Foreign Ministry." He also deplored the country's "diminishing influence on the international stage."

Agreement on Economic Plan Reached

PY1401010989 Buenos Aires DYN in Spanish 1016 GMT 13 Jan 89

[Text] Buenos Aires, 13 Jan (DYN)—The government and leaders of two main business organizations have decided to continue implementing the current anti-inflationary policy until 30 June, thereby giving new support to the spring plan.

This decision was reached yesterday during a meeting of representatives of the business sector and President Raul Alfonsin and other government authorities.

It was also established that as of March, the government will try to maintain the inflation rate at approximately 4 percent and will implement the price deregulation process and unify the foreign exchange rate, two demands made by the businessmen.

This information was disclosed yesterday by Economy Minister Juan Sourrouille at the conclusion of a meeting with the committee in charge of monitoring the economy. The group is comprised of President Alfonsin and representatives of the Argentine Chamber of Commerce and the Argentine Industrial Union.

The committee issued a document voicing its members agreement over the "need to continue on the path taken last August and at the same time, following suggestions by the private sector, to speed up administrative and structural reforms."

In referring to the future of the foreign exchange policy, the document states that "the adjustment of the austral-dollar rate on the official exchange market will continue at a monthly minimum of 4 percent as long as the variation experienced the previous month by the combined price index does not exceed the established 4 percent by more than 2 points."

It also states that "as of 1 March export-earned dollars, whether or not the items generating them are included under the mixed foreign exchange system [average of official and parallel exchange rates], will be converted according to changing proportions and frequencies. [no closing quotation marks as received]

With a chart, the document explains that agricultural goods will be negotiated at a single foreign exchange rate by December 1989 and industrial goods will follow suit by July 1989.

It then states that in order to encourage regional economies, proportions and frequencies in which the mixed exchange rate will be changed for packages of agricultural good exports will be implemented 1 February.

As for public utility rates, that document states that as of 1 February utility rates and prices of goods and services provided by public enterprises—liquid and gaseous fuel, electricity, telecommunications, and railway transport—will be adjusted by a minimum of 4 percent.

If necessary, "the utility rates and prices of these goods and services will be additionally adjusted according to the variation between the combined price index and 5 percent." It then goes on to point out that "one of these utility rates or prices will be adjusted by 1 percentage point" per month.

Moreover, the price policy establishes that "controlled prices established through resolution 450/88 of the Domestic Trade Secretariat [SCI] will be extended until 30 June with the following changes: the limit to increase prices without the previous authorization of the SCI will be equivalent to the hikes applied on public utility rates, minus a 0.5 percentage point, with a 4 percent floor."

Moreover, "as of 1 February fees for private services will be adjusted according to the guidelines established between the SCI and the corresponding chambers. On the other hand, fresh products and meats, whose prices vary, will continue under the current price system according to the document."

The monitoring committee has also decided that "as of 16 January it will start working on the gradual reduction of goods included in the controlled prices list" and that "this process will begin on 1 March and will end in June 1989."

In order to determine which goods will remain on the controlled price list, the committee will take into account their significance in family basket, their importance in the production chain, their production concentration and importance for human health."

In the case of products whose prices will be deregulated, their profit margins will also be freed.

The document also reflects the agreement reached to set in operation the tariffs commission, one of whose powers will be "to define the proceedings related to tariffs modifications established on 21 October 1988 and the sanction of antidumping legislation.'

Regarding the reforms policy, the document establishes that "the government will continue with the program of administrative reforms that began in August 1988," and will complete the program of agency reduction. The program will include the reduction of approximately 100 units in the central administration and about 25 secretariats.

The document also establishes the creation of a commission made up of representatives of the central government and the private sector which will analyze existing legislation regarding supply and investments, deregulation policy and state demonopolization, and sale of government properties.

Finally, the document establishes a credit program for small enterprises, a special export program, and the coordination of measures to deal with the electricity supply crisis.

Angeloz To Meet UK Liberal Leader in Paris

PY1901024489 Buenos Aires Domestic Service in Spanish 0100 GMT 19 Jan 89

[Text] UCR presidential candidate Eduardo Cesar Angeloz will meet with David Steel, Great Britain's Social Liberal Party president, in Paris on 23 January to discuss the recent trip of a ship from the Malvinas Islands to the continent.

The meeting was confirmed by Oscar Fernandez Suarez, Angeloz' public relations secretary, in Madrid. Suarez refused, however, to comment on the agenda of the meeting, which will take place at 1000 on 23 January at the (Loti) Hotel in Paris where Angeloz will stay during his visit to the city.

New Special Loan Granted Energy Sector

PY1301181589 Buenos Aires BUENOS AIRES HERALD in English 13 Jan 89 p 1

[Excerpt] (NA-DYN)—Public Works and Services Minister Rodolfo Terragno announced yesterday that the World Bank had granted Argentina a 100-million-dollar loan for the repairing and fitting out of thermal electric generating plants as a means to counter the acute power crisis affecting Argentina.

Terragno, who returned yesterday from Washington where he negotiated the loan, told a news conference that a first payment of 15 million dollars against the loan would be made available to Argentina within the next few days.

He said it was an additional loan because of the crisis as Argentina was not entitled to any further funds from the World Bank during 1989.

The minister, who met previously with President Raul Alfonsin to brief him on the negotiations, said the granting of the loan did not mean that the crisis would be solved at an early date.

He said part of the funds would be earmarked for the Bahia Blanca plant which was running the risk of becoming paralyzed next month if necessary repairs were not carried out.

Terragno said US electric, hydraulic and meteorological experts would be coming to Argentina to help Argentine experts in solving the crisis. [passage omitted]

Bomb Explodes Near Church in Androgue

PY1201172289 Buenos Aires DYN in Spanish 1500 GMT 12 Jan 89

[Text] Buenos Aires, 12 Jan (DYN)—The police have reported that a medium-strength bomb went off early this morning in front of the church Nuestra Senora de la Medalla Milagrosa in Androgue. It caused considerable damage but no casualties.

The explosion destroyed windows, roof tiles, and the fence, which is located at 825 Carlos Pellegrini Street. The parish priest, Jose Enrique Gerillo, who was not injured, lives in back of the church.

The local police are investigating to determine who carried out the attack and why.

Bolivia

Foreign Debt Exchanged for Investment Bonds

PY1201153989 La Paz PRESENCIA in Spanish 31 Dec 88 p 6

[Summary] Fernando Illanes, responsible for negotiations with international creditors, has reported that the Bolivian Central Bank has reported that the exchange of bonds, issued on behalf of six private enterprises, has reached $36.3 million. Illanes explained that the exchange takes place when the Central Bank sends the bonds to the fiduciary agent, Merrill Lynch, in exchange for the debt documents received from the creditor banks that have applied to exchange them.

Illanes explained further that the exchange of the foreign debt for investment bonds issued by the Central Bank is part of the process of "repurchasing" the debt, adopted by the government to solve the payment of $970 million. According to data released at the beginning of the year, that figure includes $670 million in principal and $300 million in interest.

New Navy Inspector General Appointed

PY1301002989 La Paz PRESENCIA in Spanish 9 Jan 89 p 6

[Summary] In keeping with the General Order of promotions, Rear Admiral Rolando Herrera was sworn in as new navy inspector general. Herrera is replacing Rear Admiral Orlando Villarroel, who was appointed member of the Bolivian delegation to the Inter-American Defense Council in Washington.

Armed Forces Announces Promotions

PY1201174189 La Paz EL DIARIO in Spanish 31 Dec 88 p 1

[Excerpt] [Passage omitted] Yesterday, Defense Minister Alfonso Revollo presided over a ceremony in which 15 high-ranking military officers were promoted. Fifteen Army officers were promoted to brigadier general; four Air Force officers were promoted to brigadier general; and two Navy officers were promoted to rear admiral.

In keeping with regulations, General Order 060/080 establishing the nw promotions was read. The following people were promoted:

In the Army: to brigadier general: Oscar Escobar Quiroga, Oscar Vargas Lorenzetti, Juan Vera Antezana, Julio Loaiza Valda, Freddy Mercado Antequera,

Rodolfo Angulo Tezanos Pinto, Hernan Lara Paravicini, Luis Lopez Bacigalupo, Vicente Saavedra Campos, Victor Vargas Salgueiro, Emilio Lanza Armaza, and Isaac Capriles Jordan.

In the Bolivian Air Force: to brigadier general: Hector Jaldin Tejada, Freddy Carazas Asturizaga, David Velasquez Deheza, and Raul Vera Viana. In the Bolivian Navy: to rear admiral: Rolando Herrera Alba and Freddy Lopez Arispe.

Ronald MacLean Appointed Mayor of La Paz
PY1201160689 La Paz EL DIARIO in Spanish 4 Jan 89 p 1

[Summary] Complying with the agreement signed between the ADN and the MIR [Movement of the Revolutionary Left], Ronald MacLean has been appointed La Paz Mayor for 1989. He replaces Raul Salmon.

Police Officers Installed in New Positions
PY1201195689 La Paz EL DIARIO in Spanish 5 Jan 89 p 3

[Summary] Interior Minister Juan Carlos Duran yesterday presided the ceremony held at the National Police Academy Parade Ground, during which National Police General Julio Rivera Rearte was installed as deputy commander general; General Guillermo Teran Peredo as inspector general; and General Alfonso Renjel Torrico as chairman of the Police Board of Discipline.

20,000 Malaria Cases Registered in 1988
PY1201174789 La Paz PRESENCIA in Spanish 31 Dec 88 p 7

[Summary] Dr Jorge Mariscal, director of the Social Welfare and Public Health Ministry Epidemiology Department, has reported that 20,000 malaria cases were registered in the country in 1988. The number of cases is slightly down from that of previous years. This shows that the illness is under control in Bolivia while it has increased by 100 percent in Brazil and by 60 percent in Peru. The Ministry has been spraying homes with DDT to control Malaria.

Regarding Dengue fever, Dr Mariscal has pointed out that the Ministry has intensified its fight against the "Aedes Aegypty" mosquito, mainly in Santa Cruz, Villamontes, and Trinidad.

Brazil

*** Poll: Public Rejects Sarney Government**
334200188 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Dec 88 p 4

[Article by Eymaro Mascaro]

[Text] The population of Sao Paulo again reproved the government of President Jose Sarney, according to poll results which the IBOPE [Brazilian Public Opinion and Statistics Institute] tabulated yesterday. In the state capital, 56 percent of the population considers the present administration "very poor." The IBOPE conducted this opinion survey between 29 November and 5 December, interviewing 800 individuals representing all age groups and social strata.

Only 2 percent of the individuals surveyed by the IBOPE felt Jose Sarney's government was "very good." Another 7 percent said his administration was "good" and 22 percent called it "average." The survey also found that 10 percent of the population thinks the Sarney government is "inferior" and only 3 percent of the respondents did not want to answer the interviewers' question.

Revelation

In this first political survey conducted by the IBOPE since the November elections, there are some surprising revelations. For example, at the moment, the PMDB has the highest rejection rate—44 percent, as against a 14 percent rate of acceptance. The PT situation is the reverse: Lula's party has a 57 percent rate of acceptance and 14 percent rejection, while Paulo Maluf's PDS [Social Democratic Party] has a 14 percent acceptance rate and a 32 percent rejection rate. It is seen that, in the state capital, the PMDB's rejection rate is higher than that of the PDS, according to the IBOPE poll. The PTB [Brazilian Labor Party] has a 12 percent acceptance rate and 17 percent rejection, while the PL [Liberal Party] has an 11 percent acceptance rate and 19 percent rejection. Leonel Brizola's PDT [Democratic Worker's Party] has only a 10 percent acceptance rate and a 25 percent rejection rate in Sao Paulo, while the PFL has 28 percent rejection and 8 percent acceptance.

Through the survey, it can be confirmed that the Army and the Military Police of Sao Paulo contributed to the victory of Luiza Erundina, since 17 percent of the individuals who voted for the PT candidate based their decision on the intervention in the CSN (National Iron and Steel Company) and the deaths of three workers. Another 57 percent responded that they had voted for Erundina because of the violence used by the Military Police against the striking teachers during the demonstration near the Bandeirantes Palace.

The survey also showed that the preference for Luiza Erundina was a protest vote against the national situation. According to the IBOPE, the economic problem weighed heavily in Luiza Erundina's victory.

Among the respondents, 6 percent said the administration of Orestes Quercia was "excellent"; 23 percent called it "good"; 42 percent called it "average"; 8 percent called it "inferior"; 19 percent called it "very poor"; and 2 percent did not wish to respond.

The survey indicates the growth of the PT, which is already off and running with the campaign of Luis Inacio Lula da Silva for the presidency of the republic. At the

same time, the survey signalled concern for the PMDB—reasonable concern, because at least two of the PMDB's possible presidential candidates are from Sao Paulo: Ulysses Guimaraes and Orestes Quercia. The data refer exclusively to the state capital, but the capital has the largest registration in the country (5.5 million voters) and is most coveted by the parties.

Communist Party Names Presidential Candidate

PY1401181789 Rio de Janeiro Rede Globo Television in Portuguese 1500 GMT 14 Jan 89

[Excerpt] In Sao Paulo, the Brazilian Communist Party has just named its presidential candidate. He is Pernambuco Federal Deputy Roberto Freire.

[Begin Freire recording] We want a developed and growing country, a country that distributes income equally, a socialist developed country. [passage omitted]

* Brizola, Santos Tied in Presidential Poll

33420018a Sao Paulo FOLHA DE SAO PAULO in Portuguese 4 Dec 88 p A-7

[Article by Clovis Rossi]

[Text] Leonel Brizola, national president of the PDT [Democratic Worker's Party] and its virtual candidate for the presidency of the Republic, and Silvio Santos, impresario and television promoter, would compete in the second round of the presidential election if the first round were held today, according to a poll conducted by DataFOLHA in 10 Brazilian capitals. Conducted on 28 and 29 November, this is the first presidential preference poll following the 15 November municipal elections.

The newspaper asked DataFOLHA to put two situations to the respondents. In the first situation, the respondents were offered the names of "conventional" presidential possibilities who have participated regularly in party politics. In the second situation, these names are accompanied by two businessmen who could be nominated by one party or another: Antonio Ermirio de Morais and Silvio Santos, proprietors, respectively, of the Votorantim industrial group and of the Brazilian Television System (SBT).

Brizola and Silvio are technically tied for first place (20 percent for Brizola and 19 percent for Silvio), when the poll includes the names of Silvio Santos and Antonio Ermirio. The increasing support for Luis Inacio Lula da Silva, virtual PT candidate, can be observed in both situations. With the names of Silvio and Ermirio added, Lula's support went to 14 percent of the 5,406 respondents polled. In previous DataFOLHA surveys on the same topic, Lula had won only 10 percent. When the poll left out the names of the two businessmen, the PT candidate remained in second place, with 17 percent, 7 percentage points behind Brizola.

The inclusion of the two names is prejudicial to Senator Mario Covas (PSDB-SP [Brazilian Social Democratic Party-Sao Paulo]), the virtual candidate of his party. When Silvio and Ermirio are not included in the poll, Covas comes in third, with 15 percent of the votes, but when the two names are added, Covas falls to fifth place (with 10 percent). In the second scenario, Covas also falls behind Ermirio, who takes fourth place, with 11 percent of the intended vote.

Ulysses Guimaraes, national president of the PMDB, and Janio Quadros, mayor of Sao Paulo, are tied in both scenarios offered in the survey. Without Silvio and Ermirio, both Ulysses and Janio would take 7 percent of the vote; they take only 5 percent when the other two possible contenders are included. Senator Jarbas Passarinho, national president of the PDS [Social Democratic Party], always comes in second to last and last place goes to Senator Affonso Camargo (PTB-PR [Brazilian Labor Party-Parana]).

Janio's poor performance does not trouble his most loyal followers, such as state Deputy Fauze Carlos (PTB). "When Janio shows up on television, with his power of persuasion, he will quickly pass all the others by," said Fauze. "Brizola is in the media every day. Silvio Santos is finished when he goes off his television program. Lula has reached his plateau and will not go beyond it. Covas is a courageous lad, but his party is very small. Janio is the only one with any possibility of moving ahead."

Party Preference

If the election were decided by party preference, however, the scenario does not favor Janio. His former party, the PTB, is supported by only 2 percent of the respondents, whereas the PT has shot forward, with 27 percent, more than the total of the three parties that follow (PMDB, with 11 percent; PDT, with 10 percent; and the PDS, with 5 percent).

It is based on this party preference that Lula is singing victory songs; "When the campaign starts in earnest, the candidates tend to follow the fortunes of their parties, as happened in the municipal elections. If the DataFOLHA surveys are confirmed, the PT will win in 1989," Lula said. The virtual PT candidate does not consider the figures on the candidates themselves relevant, because of the variations that occur from one poll to another. "The most important thing is that the PT remains in the lead in all the party preference polls," Lula feels.

In a sense, Lula is right. Since the candidacies are not official and the election is almost a year away, the poll is merely indicative. If, in the Sao Paulo municipal elections, a third of the voters reached a definite decision only in the last week, as another DataFOLHA survey showed, it is reasonable to suppose that, in 1989, the decision will be more definite only later on.

In any event, it is significant that, in the poll with the names of the candidates listed, to stimulate response, the number of "none/don't know" responses was much lower that recorded up to the final stretch of the 1988 elections. For the presidential election, only 23 percent of the respondents would not name any candidate. In the same capitals, the number of undecided was much higher up to a month before the [1988] elections.

However, in the spontaneous poll (with no names listed), the number of undecided rose to 58 percent. In this poll, Brizola came out on top, with 14 percent, followed by Lula (7 percent) and Silvio Santos and Mario Covas (tied with 3 percent). Brizola's continued first place showing is reflected in another type of question, in which the respondent is asked who he thinks will win the election, regardless of his personal sympathies. In this case, 33 percent of the respondents bet on Brizola and 15 percent named Lula. If the question is put this way, Ulysses Guimaraes makes a better showing: he is named by 11 percent of the respondents—the same number as that obtained by Mario Covas.

Regional Vote

In the breakdown by city, the survey shows limited penetration by Covas outside Sao Paulo. The senator did not win 10 percent of the intended vote in any of the other nine capitals surveyed. All the other candidates cited in the poll, except Janio and Affonso Camargo, broke the 10 percent barrier in at least one city.

Brizola is still weak in Sao Paulo. He takes only 7 percent of the intended votes, losing to four competitors (Silvio Santos, Covas, Lula, and Ermirio, in order). Brizola is ahead in Rio de Janeiro, Porto Alegre (Rio Grande do Sul), and Salvador (Bahia). Silvio Santo leads in Curitiba (Parana), Recife (Pernambuco), Fortaleza (Ceara), Brasilia, and Belem (Para). Lula is first in Belo Horizonte (Minas Gerais).

The survey shows that, in Sao Paulo, the votes are spread very thin, because of the large number of candidates whose political and/or business base is in Sao Paulo State. Four candidates are practically tied for first place: Silvio Santos (20 percent), Mario Covas (18 percent), Lula (17 percent), and Antonio Ermirio (16 percent). Farther back, but still diffusing the Sao Paulo vote, are Janio Quadros, with 6 percent, and Ulysses Guimaraes, with 3 percent.

It is no accident, then, that Antonio Ermirio is calling insistently for a union of the possible centrist candidates in Sao Paulo; otherwise, they risk benefiting Brizola and Lula. It is indicative that, although Brizola maintains the lead in the 10 cities combined, he places only a distant fifth in Sao Paulo.

The poll also measured the transfer of votes among candidates when the list included Silvio Santos and Antonio Ermirio. Covas was hurt the most; he lost 2.1 percent of his votes to Silvio Santos and 3 percent to Ermirio.

Silvio Santos took votes from everyone, but he took more from Brizola (2.8 percent) than from the other six names. Ermirio only penetrated the Covas constituency, taking very few votes from the other candidates. A curious datum on the transfer of votes to Ermirio: although he heads one of the greatest industrial empires in Brazil, he stole more votes from Lula (1.2 percent) than from Janio, Ulysses, Passarinho, and Affonso Camargo.

* $10 Billion Lost in Flight of Capital

33420018d Rio de Janeiro O GLOBO in Portuguese 4 Dec 88 p 46

[Article by Joel Santos and Paulo Figueiredo]

[Text] Sao Paulo—Brazil should register a loss of $8 billion to $10 billion (5 trillion to 6.2 trillion cruzados) in foreign exchange this year, because of fraudulent exchange operations in the foreign trade area and because of the significant increase in illegal transfers of dollars abroad. The estimate came this week from sources in the Treasury Police and Federal Revenue itself, who calculated that Brazilian export values are really 20 to 25 percent above those actually recorded in the CACEX (Foreign Trade Department of the Bank of Brazil), but are concealed through underbilling on export invoices or overbilling on import invoices. To give some idea of what this means, whereas the CACEX predicted that exports would reach $32 billion (19.8 trillion cruzados) in 1988, sales in the international market are actually situated between $38.4 billion and $40 billion (23.8 trillion to 24.8 trillion cruzados, according to a study elaborated by the Treasury Police.

The situation is aggravated by the increase in dollar remittances abroad, through accounts opened in banking agencies in the United States and Europe, remittances estimated by money-changers and operators in the exchange area at about $20 billion (12.4 trillion cruzados). According to a source in the Treasury Police, the remittances have increased significantly in the last 2 years because of the explosion of the inflation rate and the highly uncertain state of the Brazilian economy. For this year, the organ has estimated illegal remittances at between $1.5 billion and $2 billion (930 billion to 1.2 trillion cruzados).

"With the threat of hyperinflation, everyone is trying to protect his assets. There has traditionally been a diversion of foreign exchange, but it was done by the big companies. However, the economic climate has become

so uncertain that today it is not only the big firms but also small businessmen and even professional people, mainly lawyers, doctors and dentists," the Treasury Police source explained.

The representative of a European bank admitted that an exceedingly large number of people have been interested in opening a foreign account and he feels it is an appropriate position, in the sense that the investor is protecting his assets. "Brazil remembers the Titanic and people have the feeling that the ship is going right to the bottom. In a period in which inflation is reaching 30 percent a month, there is no way to protect their assets. It does no good to invest in stocks and real estate. The alternative is to invest in gold or in dollars," the banker declared.

According to the Treasury Police, there are countless forms of exchange fraud practiced by the exporting companies, involving commodities (coffee, soybeans, and orange juice), the automobile and automotive parts industries, and electric-electronic industries. It is the coffee and soybean exporters who are most involved in underbilling schemes in their sales operations.

Bank Holiday Announced for Monday, 16 Jan

PY1301235989 Rio de Janeiro Rede Globo Television in Portuguese 2155 GMT 13 Jan 89

[Text] In preparation for the economic measures that will be announced, the government has decided to decree a bank holiday on Monday, 16 January. The Brazilian Bank Federation has, in turn, announced that although the banks will not be open to the public, banks will operate internally with all personnel making provisions, which will be necessary due to the government's measures.

Fuel Prices Increased by Average of 16 Percent

PY1401181089 Rio de Janeiro Rede Globo Television in Portuguese 1500 GMT 14 Jan 89

[Excerpt] New fuel prices were implemented today. The price of gasoline has been increased to 428 cruzados per liter; alcohol to 321 cruzados; diesel to 226 cruzados, and natural gas to 2,000 cruzados per tank.

The average increase was a little more than 16 percent, although the price of alcohol increased the most: 30.5 percent. [passage omitted]

103 Poliomyelitis Cases Registered in 1988

PY1301144489 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 13 Jan 89

[Summary] In 1988, 103 poliomyelitis cases were registered in Brazil, 61 percent of them in the northeastern region.

Helvecio Bueno, national coordinator of the Health Ministry's polio eradication group, has said that the state health secretariats and municipalities must implement policies that prove effective in helping to eradicate the illness in the country.

Chile

Court Orders Church To Submit Medical Files

PY1701000189 Santiago Domestic Service in Spanish 2200 GMT 16 Jan 89

[Text] The Vicariate of Solidarity is getting support from different organizations in the face of several court actions.

The vicariate has been ordered to submit to the courts the medical files of its health centers because evidence exists that one of the terrorists involved in the murder of Carabineros Miguel Vazquez Tobar received medical attention from vicariate personnel.

The courts want to determine the type of medical service given by the vicariate and has given it until 24 January to submit the medical files.

In the meantime, the vicariate is receiving support from several organizations, including political parties that usually reject the power of religious organizations, which, in political terms, is known as clericalism.

Human Rights Commission Reports on Economy

PY1801022389 Santiago Radio Chilena Network in Spanish 2200 GMT 17 Jan 89

[Text] Juan Milos, representative of the Chilean Human Rights Commission, released a report on the human rights situation in the country. The report says that the economic, social, and cultural rights of the people continue to be neglected.

The report also says that the effects of the economic recovery were not felt in the lower sectors of the population because the government-implemented economic measures did not last and because they were not designed to attack the roots of the problem.

According to Milos, a case in point is the salaries situation:

[Begin Milos recording] We agree that there was an increase in the real purchasing power of salaries, but during 1988 a total of 18.9 percent of salary-earners still made less than the legal minimum of 11,335 pesos, and 30.4 percent of all salary-earners made less than 20,000 pesos.

Then we have to consider those workers in (PEP) who earned 3,000 a month, those in (POMPE) who earned 9,000 a month, and those in (FRIMO) who earned 10,000 pesos a month. These workers continue to earn less than the minimum salary. [end recording]

Juan Milos said other difficult areas are housing and education.

Education Minister Travels to United Kingdom

Meets Officials in London

PY1401000389 Santiago Domestic Service in Spanish 2200 GMT 13 Jan 89

[Text] Education Minister Juan Antonio Guzman is in London, where he is traveling after receiving a special invitation from the British Government. Guzman has met with congressional Under Secretary for Education Sir Robert Jackson and with British council members. This report has been released by the Chilean Education Ministry Information Directorate. Guzman held meetings and working sessions with members of the House of Commons and with education officials. The Chilean minister will stay in London until the end of the week.

Returns From Conference

PY1701132589 Santiago Domestic Service in Spanish 0930 GMT 17 Jan 89

[Excerpt] Upon his return from the United Kingdom, Education Minister Juan Antonio Guzman said that once again he was able to verify that Chile is an example to other Latin American countries in the field of education.

He made this statement in the Merino Benitez Airport upon returning from England, where he participated in the 41st International Education Conference, sponsored by the UNESCO. Guzman said Chile will soon intesify educational exchanges with the United Kingdom. [passage omitted]

British Foreign Ministry Official Arrives

PY1601150489 Santiago Domestic Service in Spanish 0930 GMT 16 Jan 89

[Text] British Foreign Ministry Secretary (Robin Sweal), responsible for Britain's Latin American policy, will today begin a number of activities in Santiago.

(Sweal) arrived in Santiago on Saturday, 14 January, and will stay in Chile until Wednesday, during which time he will meet with Acting Chilean Foreign Minister [title as heard] Colonel Ramon Valdez.

On his agenda is included a meeting with a group of Foreign Ministry officials, led by its director general, Octavio Raduzil. The acting interior and finance ministers [titles as heard], Gonzalo Garcia and Colonel Dante Santoni, respectively, will also receive him. He will also meet with other high-ranking Chilean officials.

Before being appointed to his current post, (Sweal) had been ambassador to Havana, Caracas, Budapest, Vietnam, and Islamabad.

Communist Support for New Leftist Party Cited

PY1601141889 Santiago Domestic Service in Spanish 0930 GMT 16 Jan 89

[Text] The Broad Party of the Socialist Left [PAIS], headed by Christian Leftist Luis Maira, is collecting signatures of supporters, members of this organization report.

These members stated that they need some 33,000 supporters, as demanded by the law on political parties, to become a legal national party. Observers claim that PAIS will easily collect this number of signatures, because the proscribed Communist Party has already ordered its militants to sign up as members of PAIS.

The experts believe that the Communist Party has enough people to organize armed branches, such as the terrorist Manuel Rodriguez Patriotic Front, the MIR [Movement of the Revolutionary Left], and the Lautaro Group. It is also capable of cooperating to form other parties, as they did in helping Socialist Ricardo Lagos to register another instrumental party called PPD [Party for Democracy].

8-Year Economic Growth Rate Reported

PY1401204589 Santiago Domestic Service in Spanish 1600 GMT 14 Jan 89

[Excerpt] According to a Central Bank report, over the past 8 years Chile has had an economic growth of 16.6 percent. The growth was reportedly recorded between 1981 and 1988. The report adds that this level surpasses that achieved by all of Latin America in that same period; Latin American growth increased only 11 percent.

During this period, the per capita gross domestic product of Latin American countries dropped by 1.5 percent, in contrast with Chile's per capita increase of 4.5 percent. This means that Chile has an accrued economic growth of 1.9 percent between 1981 and 1988, while in Latin America the decrease registered 6.6 percent.

The Chilean Central Bank report explains that the fast growth in Chile, in addition to the recovery of employment opportunities, has made possible a 6.7-percent salary increase that will take effect in 1989.

Colombia

Barco Appoints New National Police Director

PA1701160989 Bogota Emisoras Caracol Network in Spanish 1215 GMT 17 Jan 89

[Text] Bogota—The national government has unexpectedly removed General Jose Guillermo Medina Sanchez as police director and General Desiderio Vera Jaimes as

deputy police director. In a decree to be issued in the next few hours, President Virgilio Barco Vargas will officially appoint Major General Miguel Antonio Gomez Padilla as new director and Brigadier General Carlos Arturo Casadiego Torrado as deputy director.

The changes in the National Police leadership came after a meeting between officers and Defense Minister General Jaime Guerrero Paz, who told them of President Barco's decision in this regard. The reasons for the changes are unknown.

Maj Gen Miguel Gomez Padilla will be promoted to three-star general in June. Prior to his appointment, he was police inspector general. Brig Gen Carlos Arturo Casadiego Torrado was nationwide operations chief of the police.

25 Killed in Violence in 'Past Few Hours'
PA1701161089 Bogota Emisoras Caracol Network in Spanish 1215 GMT 17 Jan 89

[Text] Bogota—At least 25 people, including political leaders and 2 policemen, have been killed in the latest outbreak of violence in the past few hours in various parts of Colombia.

The most serious incidents include FARC guerrilla attacks in Meta and Santander Departments, where policemen Fernando Culma Soto and Jose Aljecida Cabrera were killed. Guillermo Benitez, a policeman who was a member of a patrol that resisted a guerrilla attack for several hours, was seriously wounded.

*** Status of Social Security Fund Debated**

*** Shortfalls Seen**
33480071 Bogota EL TIEMPO in Spanish 12 Dec 88 pp 1-A, 15-A

[Unattributed article: "SSI in Serious Financial Crisis"]

[Text] The National Department of Planning (DNP) has revealed to the Congress of the Republic that the country's social security institutions are undergoing the most serious financial and administrative crisis ever recorded.

A "Diagnosis of the Social Security of Government Workers," which was sent to Senate Committee 7, warns that the crisis is of a very disturbing magnitude and requires comprehensive attention.

The sponsor of the new Pension Act, Senator Alvaro Uribe Velez, confirmed what National Planning has revealed about the crisis in the social security institutions. He stated that with regard to the National Social Benefit Fund (Cajanal), the new law will require it to pay out an additional 1.992 billion pesos as of January. It is not known how much more Cajanal will have to pay for pensions after 1991.

As of the end of 1987, the fund had 217,819 pensioners depending on it. By December of next year, it will have to provide monthly stipends to 273,232 retired persons. Subsequently, the number of pensioners will continue to rise at a rate of 10 percent a year.

The Social Security Institute (ISS) and Cajanal reported to Senate Committee 7 that they can meet the payments that will be required under the new Pension Act. There is doubt, however, as to how long the two institutions will be able to keep up with the ever-increasing number of pensioners and stipends to pay before they go broke, given that their revenues and reserves are growing less quickly than the monthly outlays.

To make matters worse, the situation of 241 other benefit funds in the interior of the country, with very few exceptions, "is the same or worse than that of Cajanal," states National Planning.

The disintegration of social security in the public sector and the lack of mechanisms for control and planning within the system, says the DNP, are so serious that it is impossible to determine how many social benefit funds exist in Colombia.

In 1985, 241 were counted, but 186 of them did not report information. "It is possible," says the DNP, "that they have never reported, or that once they were established they did not function effectively, or that they have ceased to exist. The Labor Ministry and the Office of the Comptroller General of the Republic, to which the funds are supposed to report annually on their financial conditions, have not shed any light on the matter."

National Planning also discovered "high levels of evasion" with respect to the employer contribution that the departmental, municipal, and territorial funds must collect from local employers so that they can build up sufficient reserves to meet their obligations. To make matters worse, 17 of the funds investigated did not even collect the contributions. Obviously, there are no reserves at all.

The situation is much more chaotic when it comes to severance pay.

National Planning has drawn Congress' and the government's attention to the deficits of some of the 241 funds, the income per beneficiary, and the ratio of cumulative debt to revenues.

In this regard, it states: "Eleven funds have budget deficits, and several institutions have alarming shortfalls. The Narino fund faces 374 million pesos in obligations and only 104 million pesos in revenues, and the Popayan fund must pay out 81 million pesos, with income of 79 million."

Finally, the report reveals that 67 percent of the funds had some level of indebtedness in 1985, and that the situation is disturbing in five funds, where the ratio is between 25 and 50 percent. The debt ratio is most critical in the funds of Norte de Santander and Meta, where it totals 54 and 65 percent of revenues, respectively.

And that is not all. "The economic situation of those funds where the cumulative debt ratio amounts to more than 100 percent of revenues can be described as extremely critical. Among them, the most noteworthy are Narino, with a debt of 344 percent, Bolivar with 114 percent, and Choco, with 125 percent."

[Box, p 15-A] Crisis in ISS and Cajanal

The investigations by the DNP indicate that the social security crisis has hit the Social Security Institute and the National Social Benefit Fund particularly hard.

In these entities, the crisis has the following characteristics:

ISS: The current social security reserves, which amount to nearly 160 billion pesos, are not enough to meet the Institute's obligations. Moreover, the reserves should be four times as large as they are now.

The plight of the ISS, in the opinion of National Planning, could become worse in the short term, since it has now been 20 years since the Institute began assuming the Disability, Old Age, and Death (IVM) risks. In addition, the growth rate of pensioners dependent on this institution is expected to rise.

Moreover, the new Pension Act that is on the president's desk awaiting signature will cost Social Security 596 million pesos more in 1989 and 756 million more in 1990. This sum will rise year after year.

Meanwhile, the ISS has frozen employee-employer contributions for several years, and the funds it has loaned to the enterprises of the Industrial Development Institute (IFI) have not yielded the expected profits.

As of 30 December 1987, the ISS had 159,572 pensioners, and given the traditional annual growth rate of 12 percent, by the end of next year it will be responsible for paying retirement stipends to 200,016 pensioners.

Cajanal: The National Social Benefit Fund faces an even graver situation. It has no reserves to guarantee its pension commitments, and it depends almost entirely on infusions from the national budget to make the payments required for the pensioners who depend on it.

"To give an idea of the seriousness of this situation," says the National Planning report, "Cajanal needs 47 billion pesos to pay pensions in 1989 alone."

* Charges Refuted

33480071 Bogota EL ESPECTADOR in Spanish 13 Dec 88 p 9-A

[Article by Gilda Sarmiento: "Social Security Financial Problems Not Critical, Says Labor Minister"]

[Text] The new pension system that will take effect next year is very socially responsible, and from the financial point of view, it will not aggravate the deficit of the National Benefit Fund or endanger the solvency that the Social Security Institute has maintained for 20 years, the government contended yesterday.

"The increases provided for in the Pension Act, which will soon become law, cannot be the cause or reason for any deterioration in the finances of these agencies. Nor can the fact that pensions will not increase after 1989 be cited as a factor in the improvement of these finances," asserted Labor Minister Juan Martin Caicedo. He added that there are problems in Colombia's social security finances, but they are not insolvable. It would be foolish to deny the difficulties, he said, but it can hardly be argued that they are causing a serious crisis.

He went on to say that both the ISS and Cajanal have statistical data and information on historic patterns that will enable them to determine their future pension obligations and the related financing.

In the case of Cajanal, in the event that the restructuring bill does not make it through Congress, "the administration will take action toward this objective through whatever government channels are necessary."

Nevertheless, there is still a need for regulations to determine which entity will take over pensions when a person retires after working, for example, half of the time for the public sector and half of the time for the private sector, that is, with the accumulation of time called for in the new law.

It can be assumed that in this case the worker will be pensioned by the last entity for which he worked, but a person who has served for 18 years in a private company and 2 years in a state agency would also represent an imbalance in the contributions, unless an entity is created for the exclusive purpose of taking care of this type of pension.

Previously there were two alternatives: A worker could be pensioned by the private sector through the ISS or by the public sector (most of them) through Cajanal. Now, with the accumulation of time, a hybrid has been created.

Economically speaking, without any clarification or quantification of the impact of the accumulation of time worked in the public and private sectors (since the law provides that the state will assume these pensions only up to 10 years), the greatest financial burden for Cajanal will stem from the fact that 58,801 pensioners will

represent an additional cost of 1.992 billion pesos. Paradoxically, the ISS, which has 180,000 retirees, will incur a cost of 596 million pesos, because while 91 percent of the ISS pensions are at the level of the minimum wage, only 36 percent of the Cajanal pensions are at minimum wage. The average Cajanal pension is 40,000 pesos, almost double the current minimum wage.

It should be noted that beginning in 1989, all pensions will rise automatically by the same percentage as the legal minimum wage.

Foreseeing these situations when he presented the pension bill, Labor Minister Juan Martin Caicedo Ferrer simultaneously submitted to Congress two other initiatives. One calls for the restructuring of the National Benefit Fund by giving it additional powers, and the other modifies the law that established the financial management of the ISS pension reserves.

However, the two bills are about to die in committee; without extra sessions, they will not make it to the floor, and will have to be submitted again in the next session.

In the case of the restructuring of Cajanal, the minister sent an emergency message to Senate Committee 1 explaining the importance of the special powers, based on the following statistics: "a cumulative deficit of approximately 15 billion pesos; an annual burden of about 4 billion pesos due to liens; 8,750 files awaiting processing so that an equal number of individuals can receive pensions; and deficient services because health funds must be used to pay pensions."

In the case of the ISS, the bill aimed at removing the strait jacket so that reserves can be invested in liquid, profitable, and safe instruments has not yet made it to the floor of Congress. Nevertheless, Labor Minister Juan Martin Caicedo and his counterpart in Finance, Luis Fernando Alarcon, are proceeding with the analysis to see if a decree will be sufficient, rather than having to rely on reform by Congress. Thus, the management of the pension reserves can be made more flexible. At present, they can only be invested in fixed-value securities, in the following proportions: 43 percent in the Central Mortgage Bank (BCH), 41.4 percent in the Industrial Development Institute (IFI), 8.3 percent in the National Hospital Fund, 3.7 percent in the FEN [not further identified], and the remaining 3.6 percent in government bonds.

* Economic Policy To Emphasize Export Sector

33480072a Bogota EL ESPECTADOR in Spanish 14 Dec 88 p 10-A

[Text] The chief of the National Department of Planning, Maria Mercedes Cuellar de Martinez, has announced a change in emphasis in economic policy that will allow the sectors of production, and private businessmen in particular, to make a more effective contribution to the national development process.

For this purpose, she reported, the National Development Projects Fund will be authorized to finance private initiatives. She stated that the goal is to modify the pattern of foreign trade as a strategy for achieving higher growth levels.

She predicted that with this new approach, growth rates on the order of 5 percent a year can be achieved in overall production in the country, with rates of 6 percent in industrial activity, more than 4 percent in agriculture-livestock, and over 6 percent in exports.

In this way, the planning official argued, employment can rise by close to 4 percent a year, and inflation can be stabilized at around 22 percent.

She pointed out that the best way to achieve these objectives is to allow the criteria of international efficiency to gradually become the standard for allocating private and public resources.

Recalling the assertions made by some experts a while ago, Mrs Cuellar de Martinez indicated that converting an industry with marginal exports to one with dynamic exports is the prerequisite for raising the rate of aggregate investment in the economy as a whole to levels higher than the average for the past 15 years.

She commented that at present there are favorable conditions for our products on foreign markets, and contended that "the government will maintain its export promotion policies based on stable management of the exchange rate, the CERT [Tax Rebate Certificate], the development credit at preferential rates, and the Vallejo Plan."

Stressing the importance of exchange and trade policies for the distribution of income, employment, productivity, and GDP growth, she mentioned that in 1986 a modification process began in the import system, and that soon this process will be completed with high priority given to efficiency.

The planning official went on to discuss the recent tariff reforms, which seek to restore tariffs as the principal instrument of protection, and above all to rationalize the current tariff rate structure.

So far nearly 2,000 tariff positions have been analyzed and 1,306 have been modified; 1,110 of them apply to capital goods and their raw materials, parts, and components, and 196 apply to consumer goods included in the categories of machinery and equipment.

The official spoke at the ceremonies commemorating the 20th anniversary of the National Development Projects Fund (FONADE), an official agency that has financed nearly 2,000 projects with credit totaling to 30 billion pesos. This has made possible investments amounting to 500 billion pesos.

"This turnaround in trade policy lays the necessary groundwork for the changes that are needed in foreign trade, in keeping with a sustained growth process and with the changes in the productive structure designed to place the country in the most dynamic currents of trade," she concluded.

*** Cooperatives Seek Agricultural Credit**
33480072b Bogota EL ESPECTADOR in Spanish
13 Dec 88 p 8-A

[Text] The Colombian cooperative sector has demanded to be included in the new model of agriculture-livestock credit proposed by the ministry of that sector in the bill that is being considered by the Congress of the Republic. It expressed regret that this request was not taken into consideration in the presentation of the bill to the 3rd Committee of the Chamber of Representatives.

The president of the Confederation of Cooperatives of Colombia, Jorge Cardenas Sarria, explained that contact had been made previously with Agriculture Minister Gabriel Rosas Vega and with the sponsor of the bill, Representative Guillermo Alberto Gonzalez Mosquera, to explain the need to include jointly involved financial entities in the National Agriculture-Livestock Credit System.

He declared that this could be achieved with the coffee-growing cooperatives and secondary financial cooperatives, through which a high percentage of resources are channeled to agriculture-livestock and marketing entities that operate within the economic system.

In addition, he recalled that the commercial banks serve as intermediaries for the monies that come from the Agriculture-Livestock Financial Fund [FFAP], and that the banks "are not interested in granting credit to small producers, who join together in agriculture-livestock cooperatives."

Damage

Cardenas Sarria expressed his concern that the entities in this sector may lose the option of going directly to the agriculture-livestock cooperatives with funds from the DRI [Integrated Rural Development Program], and thus thousands of peasants would lose this benefit.

He stated that Article 36 of the bill restricts the auxiliary credit resources to the entities that belong to the National Agriculture-Livestock System, so those from the Colombian Institute of Agrarian Reform (INCORA), the DRI, or the National Coffee Fund would limit the direct delivery of credit.

In his opinion, since the secondary cooperatives would not be part of that system and are intermediaries in the DRI, they would automatically lose their ability to directly finance jointly involved agriculture-livestock institutions.

He proposed, therefore, that Article 3 of the bill be modified to state that "the financial entities of the cooperative sector should be included so that they can participate in the intermediary credit system on behalf of the agriculture-livestock cooperatives and of the members themselves."

As for Article 36, he recommended that a clause be added to state that "there should be a certain amount of flexibility so that agencies such as INCORA, DRI, or the National Coffee Fund can enter into agreements with cooperative associative entities for the granting of such loans."

Finally, the trade association spokesman recalled that there are more than 400 agriculture-related cooperatives in Colombia, carrying out production and marketing activities in the rural sector. They have about 250,000 small and medium farmers and peasant heads of household as members.

As has been reported, the Agriculture and Finance Ministries submitted to Congress an initiative designed to make financing for the farm sector independent of the Monetary Board and to restructure the current model of the institutions through which farmers obtain credit.

For this purpose, the National System would be consolidated with the Cattlemen's and Coffee Banks, the Agrarian Fund, and the Livestock Funds, among others. A National Credit Commission headed by the minister in that sector would be responsible for the operation and coordination of such a system. The execution of plans would be the function of a new financial fund, Finagro, which would replace the current FFAP.

*** Economic Slowdown Seen, Measures Recommended**
33480072c Bogota EL ESPECTADOR in Spanish
13 Dec 88 p 9-A

[Text] The Colombian economy has not yet entered a recession, but is undergoing a deceleration, asserted the president of the Colombian Confederation of Chambers of Commerce (CONFECAMARAS), Nicolas del Castillo Mathieu, upon announcing the positive figures on investment in companies during the first 9 months of 1988.

The business leader stated that an erroneous policy was pursued in an effort to control inflation this year, as a result of the sharp changes in the supply of food, the instability of production conditions, the lack of adequate systems for managing inventories, and delays in marketing mechanisms.

He recommended the adoption of a series of economic measures in order to guarantee the continuation of the good times the country is experiencing now.

He stated that in spite of all the problems Colombians have to put up with, our people have demonstrated their adaptive abilities repeatedly, and are showing that they are admirable.

Through the first 6 months of this year, net investment in companies reached 128.633 billion pesos, for a growth rate of 37.7 percent over that of the same period of 1987.

Broken down by cities, investment in Bogota was 65.871 billion pesos; in Medellin, 21.041 billion; in Cali, 12.934 billion; and in the rest of the country, 18.660 billion pesos.

When classified according to economic sectors, we can see that mining received investments of 33.291 billion pesos, commerce 26.834 billion, and industry 25.348 billion pesos.

The manufacturing industry showed a decline of 2.7 percent as a result of the reduced capital of the Colombian Automotive Company (which cut the value of a share from 1 peso to 1 centavo), the smaller increase (compared to 1987) in the capital of corporations through stock issuance, and a similar pattern in investments in corporations.

The transportation, storage, and communications sector reported a nominal growth rate of 89.2 percent, thanks to the increase of 397 million pesos in the capital of the Cucuta Storage Center.

In the first 9 months of 1988, the number of companies went from 14.257 billion to 17.963 billion pesos [as published], for an increase of 26 percent.

According to the president of CONFECAMARAS, the Colombian economy has not entered a recessionary period, but if economic policy is corrected it will be possible to recover the lost momentum.

Del Castillo recommended the following:

- Deregulate interest rates.
- Reconsider the monetary contraction policy adopted by the economic team.
- Modify the regulations on the supply of products, price supports, and import quotas in order to stop the upward trend.
- Immediately implement an aggressive policy to deal with the structural problems of the agriculture sector.
- Delay as long as possible the renegotiation of the foreign debt if the credit of $1.85 billion is obtained. If it were to be carried out, it would have serious consequences for imports, exports, and the provision of credit to the public and private sectors, and practically an entire new adjustment plan would have to be adopted.
- Structure a development policy and make the necessary corrections to ensure the recovery of the construction sector.
- Reconsider the measure that set the initial payment for credit card purchases at 30 percent.

Paraguay

Arrest of 'Traditionalist' Leaders Denounced

PY1601211389 Asuncion EL DIARIO in Spanish 15 Jan 89 p 10

[Excerpt] The Colorado Youth Central Committee, headquartered in Alto Parana, has issued a communique denouncing "the arbitrary and totally unjust arrest on 11 January of Julio Cesar Riquelme and Rogelio Nunez, president and secretary of the committee, respectively."

The communique adds: "We have the sacred duty to denounce to the national and international public, and especially to the great Colorado Traditionalist people, this serious incident that infringes and violates tenets of our Constitution, which says that "no one can be arrested without a written court order." [passage omitted]

Two Leaders Released 17 Jan

PY1801123989 Asuncion HOY in Spanish 18 Jan 89 p 8

[Excerpt] Two traditionalist leaders of the Colorado Party Youth Central Committee who were being held in custody at the government delegates's office in the City of President Stroessner were released yesterday morning.

They are Rogelio Nunez and Julio Cesar Riquelme, who have been held under arrest since 12 January. Pedro Celestino Medina, who was arrested on 13 January, remains in custody in the same government delegate's office. [passage omitted]

Armed Forces Assignments, Reshuffling Announced

PY1201214989 Asuncion ULTIMA HORA in Spanish 12 Jan 89 pp 12, 13

[Text] The office of the Armed Forces commander in chief this morning issued General Order No 2, announcing major assignments in military units.

Brigade General Luis Rolando Romassone was designated II Corps acting commander (headquartered in Villarrica). He replaces Division General Orlando Machuca Vargas.

Brigade General Alejandro Schreiber was designated acting commander of the Combat Support Command. He replaces Division General Enrique Duarte Alder.

Brigade General Victor Manuel Florentin was designated chief of staff of the Command of Military Training Institutions (CIME) [Comando de Institutos Militares de Ensenanza]. He replaces Brigade General Eladio Iriarte Dominguez.

Brigade General Rogelio Bartolome Argana was designated chief of staff of the I Corps. He replaces Brigade General Francisco Sanchez Gonzalez.

Brigade General Ramon Humberto Garcete was designated 4th Infantry Division commander (headquartered in Concepcion). He replaces Brigade General Juan de Dios Garbett, who was designated 3d Infantry Division commander (San Juan-Misiones). Garbett replaces Brigade General Victor Manuel Florentin. Brigade General Juan Manuel Campos Guillen was designated 6th Infantry Division commander (Mariscal Estigarribia). He replaces General Ramon Humberto Garcete.

General Francisco Sanchez Gonzalez was designated commander of the Graduate Military School. He replaces General Rolando Tomassone.

Brigade General Isidro Gauto Caballero was designated chief of staff of the II Corps. He replaces Brigade General Alfredo Diosnel Zelaya. General Eladio Iriarte was designated chief of staff of the Combat Support Command. He replaces General Rogelio Argana.

Gen Alfredo Diosnel Zelaya was designated 7th Infantry Division commander (Teniente Primero Alfredo Stroessner, Chaco). He replaces Gen Isidro Gauto Caballero.

Colonel Tomas Anibal Aquino Arguello was designated acting commander of the Artillery Command (Paraguari). He replaces General Juan Manuel Campos. Colonel Estanislao Lesme was designated acting commander of the 5th Infantry Division (Curupayty). He replaces Brigade General Jose Roa Benitez.

Brigade General Alcibiades Ramon Soto Valleau was sworn in as the new commander of the Aeronautics Command during a ceremony at the Nu Guazu Air Force Base. The ceremony was presided over by Armed Forces Chief of Staff General Alejandro Fretes Davalos and Defense Minister General German Martinez.

Director of General Tax Directorate Named

PY1301002989 Asuncion ULTIMA HORA in Spanish 12 Jan 89 p 13

[Excerpt] Maximo Vazques Ballena, director of the Income Tax Department, has been named director of the General Tax Directorate (DGI) [Direccion General Impositive], ULTIMA HORA reported yesterday. The designation was made official today through Executive Decree No 1878. [passage omitted]

Dengue Fever Cases Reported, 'Epidemic' Feared

PY1401141089 Asuncion EL DIARIO in Spanish 14 Jan 89 p 18

[Excerpt] The Aedes Aegyptus mosquito, which transmits dengue fever, has again attacked. Some 200 families have been contaminated and experts fear an epidemic in Asuncion.

The families who have reportedly been infected live in the town of Lambare [7 km from Asuncion]. Blood tests will determine the type of virus causing this outbreak. Although there are four different dengue viruses, only the type-1 virus—the mildest—has so far been found in the country. [passage omitted]

Peru

Justice Minister Defends Fishing Treaty

PY1701211289 Lima Television Peruana in Spanish 1800 GMT 17 Jan 89

[Excerpt] Justice Minister Cesar Delgado Barreto denied today that the fishing agreement with the Soviet Union was unconstitutional. The minister also talked about the purchase of the "Tacna II."

[Begin Delgado recording] Article 211, Subparagraph 20 of the Constitution authorizes the president to adopt special financial or economic measures in times of crises, in times of great national need. At this time of economic crisis, beef is beyond the reach of most people. Is not fish the source of protein that God has placed most nearly at hand? The 70 tons of fish we are talking about will allow us to feed our people. I understand the problem is not a legal, but a logistical, one. How can we build the necessary infrastructure to bring fish to the dinner table of all Peruvians—to help feed not only those living on the coast, but also those living in the interior. I think this is the essential part of the discussion. All other arguments only ignore our efforts to solve the situation. [passage omitted] [end recording]

Economy Minister Meets Creditors in Washington

PY1901025189 Lima Television Peruana in Spanish 0100 GMT 19 Jan 89

[Text] This morning Economy and Finance Minister Carlos Rivas Davila met in Washington with (Bill Rhodes), president of the Advisory Committee of Peruvian Creditor Banks and vice president of Citibank.

He also met with IMF Managing Director Michel Camdessus after meeting with (Archun Sengugta), IMF advisor. Tomorrow Rivas Davila will leave for New York to continue the talks with our creditors.

Shining Path Suspected in Ayacucho Violence

PY1801205589 Madrid EFE in Spanish 0410 GMT 18 Jan 89

[Text] Ayacucho, Peru, 17 Jan (EFE)—It was reported in Ayacucho today that the bodies of 27 people, allegedly members of the Peasant Defense Patrols, have been found on a La Mar Province road, in Ayacucho Department.

The local media published reports from travelers who recently arrived from Rosario District, La Mar Province, in the jungle region of Ayacucho Department. The

travelers reported that the bodies had bullet and knife wounds. The peasants may have been killed in the afternoon of 16 January, when Shining Path terrorist group members allegedly attacked Rosario settlements.

Police and military sources have not officially reported the incident.

The travelers reported that the bodies were still lying along the road, because San Francisco (?town) judicial authorities have not ordered their removal.

Police have reported that the former chairman of the Chupan settlement Peasant Defense Patrol has been killed and that an unidentified young man has also been killed near (?Huantan) settlement, Ayacucho Department. They were reportedly murdered by Shining Path members on 15 and 16 January, respectively.

Police sources have also reported that today the body of Luis Guerrero, a student of the Huamanga San Cristobal University in Ayacucho, was found riddled with bullets. Guerrero had been missing since 12 January 1989.

The "Rodrigo Franco Command," a death squad that became known in July 1988, when they murdered the lawyer who was defending Shining Path second in command Osman Morote, claimed responsibility for the crime in a note left next to Guerrero's body.

It is believed that nearly 13,000 people have been murdered by the Shining Path since this terrorist group started its armed fight in Peru in 1980.

Foreign Trade Institute President Resigns

PY1801214289 Lima Television Peruana in Spanish 1800 GMT 18 Jan 89

[Text] Enrique Cornejo Ramirez, president of the Foreign Trade Institute, ICE, has submitted his irrevocable resignation because he thinks the bill on foreign trade submitted to the executive for promulgation will not help promote exports.

Cornejo says in his letter of resignation that the bill on foreign trade should be amended in several sections. He says, for instance, that in the first articles of the bill the government relinquishes its inherent role of formulating economic policy. He also claims that the bill benefits middlemen more than producers.

Cornejo also says: Another paragraph of the bill places great emphasis on administrative measures, but it is not inserted in a clear, stable, and integral legal framework, based on the role of foreign trade for national development. The law should be reconsidered and amended. As I have said before, however, some people may confuse my observations for a defense of the position of a person who has loyally and selflessly served the country and who has earned your trust.

As I believe that laws are above names or friendship, I submit my irrevocable resignation from the post of ICE president. You are therefore free to make the observations you see fit.

Signed: Enrique Cornejo Ramirez, ICE president.

Venezuela

Lusinchi Inaugurates Military, Civilian Projects

Border Guards, TV Facility

PA1701182589 Caracas Venezolana de Television Canal 8 in Spanish 0000 GMT 17 Jan 89

[Summary] Venezuelan President Jaime Lusinchi has inaugurated the first detachment of rural commandos in Machiques, Zulia State. That detachment has jurisdiction over rural and border areas in that state, and was created to watch over the border area and maintain rural security in Zulia State.

The detachment is part of the Venezuelan Armed Forces expansion plans to safeguard territorial sovereignty and integrity, and is formed by three units: a commando unit, the staff, and four rural, functional units.

In addition, President Lusinchi inaugurated a satellite reception television station in Machiques and Casigua. With that station, Venezolana de Television Canal 8 expands the reach of its signal in the southern part of Maracaibo Lake. The cost of the station is 3 million bolivars.

Air Force Base Construction

PA1701182789 Caracas Venezolana de Television Canal 8 in Spanish 0000 GMT 17 Jan 89

[Summary] Venezuelan President Jaime Lusinchi has inaugurated the first phase of the construction of the Captain Manuel Rios Air Force Base in Carrizales, Guarico State. The first phase of the base cost 160 million bolivars.

The new base will allow the operation of the various Air Force weapon systems and the landing of large commercial planes such as 747's and DC-10's. The base will also allow the development of technical and industrial projects.

Government Approves New Radio Station

PA1501185589 Caracas Venezolana de Television Canal 8 in Spanish 2242 GMT 13 Jan 89

[Statement by President Jaime Lusinchi addressed to Artists Home Foundation President Mirla Castellanos de Martinez at foundation's inauguration; date and place not given—live or recorded]

[Excerpts] [Passage omitted] This office has considered appropriate the request made by the Artist's Home Foundation presided over by you to construct an FM radio station in Caracas, Federal District.

In this respect, by instructions of the corresponding cabinet minister, I advise you that the station has been assigned the frequency of 96.3 mHz, corresponding to channel 42. [applause]

You have been granted a term of 60 days to provide the respective technical project and economic study according to the attached instructions. After these have been analyzed, we will advise you of the details regarding the beginning of the facilities. [passage omitted]

We will donate a piece of land by the sea, on developed land with all the public utilities, in Rio Chico. [passage omitted]

Finance Minister Reports on Gold Reserves
PA1501151589 Caracas EL UNIVERSAL in Spanish 6 Jan 89 pp 1, 11

[Summary] According to Venezuelan Finance Minister Hector Hurtado, Venezuela has enough gold reserves to back up the negotiations it will begin with creditor banks on 12 January in New York. Hurtado pointed out that despite a drop in Venezuela's operating reserves, figures from the Central Bank of Venezuela estimate the country's foreign currency reserves at $6.584 billion, $4.538 billion of which are nonoperating reserves. Of the nonoperating reserves, approximately $3.5 billion are gold reserves.

Increase in Price of Barrel of Oil Announced
PA1501155489 Caracas EL NACIONAL in Spanish 6 Jan 88 p 1-A

[Text] Venezuela notified its clients yesterday that effective 6 January, export crude oil prices will increase an average of 50 cents per barrel, authorized spokespersons for the oil industry announced last night.

They added that in the past 3 weeks prices of different products have increased, but on this occasion it is a upward readjustment of the crude oil exported after the principal oils of the OPEC basket and others, such as the North Sea Brent, experienced considerable price increases early this year. The increase will be applied to some 700,000 barrels exported daily by Venezuela.

Central Bank Notes Balance of Payments Deficit
PA1501155889 Caracas EL UNIVERSAL in Spanish 6 Jan 89 p 2-2

[Summary] The Venezuelan Central Bank has reported that although the Venezuelan economy experienced 4.2-percent growth in 1988 compared to 1987, which ended with 3-percent growth, there was a $4.39-billion deficit in the balance of payments, which resulted in a loss of $2.792 billion in international reserves.

According to the Central Bank, for the first time in 10 years imports surpassed exports, producing a negative trade balance of $515 million. Oil exports totaled $8.402 billion, $652 million less than 1987, while other exports totaled $1.955 billion. Meanwhile, total imports were $10.872 billion, an increase of $2.04 billion over last year.

The Central Bank also reported that foreign debt service payments (public and private) totaled $4.757 billion, absorbing 56.6 percent of oil exports.